



# 101ST GENERAL ASSEMBLY

## State of Illinois

2019 and 2020

INTRODUCED \_\_\_\_\_, BY

### SYNOPSIS AS INTRODUCED:

See Index

Creates the Cannabis Regulation and Tax Act. Provides that it is lawful for persons 21 years of age or older to: (1) possess, consume, use, purchase, obtain, or transport an amount of cannabis for personal use that does not exceed the possession limit in accordance with the requirements of the Act; (2) cultivate cannabis for personal use in accordance with the requirements of the Act; and (3) control property if actions that are authorized by this provision occur on the property. Provides that an Illinois resident age 21 or older may cultivate up to 5 cannabis plants per household without a cultivation center or craft grower license. Provides penalties for violations of the Act. Provides for expungement of minor cannabis violations. Provides preference in the issuance of licenses to: (1) individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area; (2) individuals who have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under the Act or member of an impacted family; (3) individuals who are Black or Hispanic; or (4) for employers with a minimum of 10 full-time employees who meet any of these criteria. Provides that a tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the sale of cannabis by a cultivator. Provides that a tax is imposed upon purchases for the privilege of using cannabis. Prescribes the rates. Repeals the Cannabis and Controlled Substances Tax Act. Amends various Acts to make conforming changes. Effective immediately.

LRB101 12329 RLC 60273 b

A BILL FOR

1 AN ACT concerning cannabis.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 ARTICLE 1.

5 SHORT TITLE; FINDINGS; DEFINITIONS

6 Section 1-1. Short title. This Act may be cited as the  
7 Cannabis Regulation and Tax Act.

8 Section 1-5. Findings.

9 (a) In the interest of allowing law enforcement to focus on  
10 violent and property crimes, generating revenue for education,  
11 substance abuse prevention and treatment, freeing public  
12 resources to invest in communities and other public purposes,  
13 and individual freedom, the General Assembly finds and declares  
14 that the use of cannabis should be legal for persons 21 years  
15 of age or older and should be taxed in a manner similar to  
16 alcohol.

17 (b) In the interest of the health and public safety of the  
18 residents of Illinois, the General Assembly further finds and  
19 declares that cannabis should be regulated in a manner similar  
20 to alcohol so that:

21 (1) persons will have to show proof of age before  
22 purchasing cannabis;

1           (2) selling, distributing, or transferring cannabis to  
2 minors and other persons under 21 years of age shall remain  
3 illegal;

4           (3) driving under the influence of cannabis shall  
5 remain illegal;

6           (4) legitimate, taxpaying business people, and not  
7 criminal actors, will conduct sales of cannabis;

8           (5) cannabis sold in this State will be tested,  
9 labeled, and subject to additional regulation to ensure  
10 that purchasers are informed and protected; and

11           (6) purchasers will be informed of any known health  
12 risks associated with the use of cannabis, as concluded by  
13 evidence-based, peer reviewed research.

14           (c) The General Assembly further finds and declares that it  
15 is necessary to ensure consistency and fairness in the  
16 application of this Act throughout the State and that,  
17 therefore, the matters addressed by this Act are, except as  
18 specified in this Act, matters of statewide concern.

19           (d) The General Assembly further finds and declares that  
20 this Act shall not diminish the State's duties and commitment  
21 to seriously ill patients registered under the Compassionate  
22 Use of Medical Cannabis Pilot Program Act, nor alter the  
23 protections granted to them.

24           (e) The General Assembly further finds and declares that  
25 employee workplace safety shall not be diminished and employer  
26 workplace policies shall be interpreted broadly to protect

1 employee safety.

2 Section 1-10. Definitions. In this Act:

3 "Adult Use Cultivation Center License" means a license  
4 issued by the Department of Agriculture that permits a person  
5 to act as a cultivation center under this Act and any  
6 administrative rule made in furtherance of this Act.

7 "Adult Use Dispensing Organization License" means a  
8 license issued by the Department of Financial and Professional  
9 Regulation that permits a person to act as a dispensing  
10 organization under this Act and any administrative rule made in  
11 furtherance of this Act.

12 "Advertise" means to engage in promotional activities  
13 including, but not limited to: newspaper, radio, Internet and  
14 electronic media, and television advertising; the distribution  
15 of fliers and circulars; and the display of window and interior  
16 signs.

17 "BLS Region" means a region in Illinois used by the United  
18 States Bureau of Labor Statistics to gather and categorize  
19 certain employment and wage data. The 12 such regions in  
20 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,  
21 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,  
22 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,  
23 Rockford, St. Louis, Springfield, Northwest Illinois  
24 nonmetropolitan area, West Central Illinois nonmetropolitan  
25 area, East Central Illinois nonmetropolitan area, and South

1 Illinois nonmetropolitan area.

2 "Cannabis" means marijuana, hashish, and other substances  
3 that are identified as including any parts of the plant  
4 Cannabis sativa or Cannabis indica, whether growing or not; the  
5 seeds thereof, the resin extracted from any part of the plant;  
6 and any compound, manufacture, salt, derivative, mixture, or  
7 preparation of the plant, its seeds, or resin, including  
8 tetrahydrocannabinol (THC) and all other naturally produced  
9 cannabinol derivatives, whether produced directly or  
10 indirectly by extraction or independently by chemical  
11 synthesis or by a combination of extraction and chemical  
12 synthesis; however, "cannabis" does not include the mature  
13 stalks of the plant, fiber produced from the stalks, oil or  
14 cake made from the seeds of the plant, any other compound,  
15 manufacture, salt, derivative, mixture, or preparation of the  
16 mature stalks (except the resin extracted from it), fiber, oil  
17 or cake, or the sterilized seed of the plant that is incapable  
18 of germination. "Cannabis" does not include industrial hemp as  
19 defined and authorized under the Industrial Hemp Act.  
20 "Cannabis" also means concentrate and cannabis-infused  
21 products.

22 "Cannabis business establishment" means a cultivation  
23 center, craft grower, processing organization, dispensing  
24 organization, or transporting organization.

25 "Cannabis concentrate" means a product derived from  
26 medical cannabis that is produced by extracting cannabinoids

1 from the plant through the use of propylene glycol, glycerin,  
2 butter, olive oil or other typical cooking fats; water, ice, or  
3 dry ice; or butane, propane, CO<sub>2</sub>, ethanol, or isopropanol. The  
4 use of any other solvent is expressly prohibited unless and  
5 until it is approved by the Department of Agriculture.

6 "Cannabis container" means a sealed, traceable, food  
7 compliant container, or package used for the purpose of  
8 containment of cannabis or cannabis-infused product during  
9 transportation.

10 "Cannabis flower" means marijuana, hashish, and other  
11 substances that are identified as including any parts of the  
12 plant Cannabis sativa and including derivatives or subspecies,  
13 such as indica, of all strains of cannabis; including raw kief,  
14 leaves, and buds, but not resin that has been extracted from  
15 any part of such plant; nor any compound, manufacture, salt,  
16 derivative, mixture, or preparation of such plant, its seeds,  
17 or resin.

18 "Cannabis-infused product" means a beverage, food, oil,  
19 ointment, tincture, topical formulation, or another product  
20 containing cannabis that is not intended to be smoked.

21 "Cannabis plant monitoring system" or "plant monitoring  
22 system" means a system that includes, but is not limited to,  
23 testing and data collection established and maintained by the  
24 cultivation center, craft grower, or processing organization  
25 and that is available to the Department of Revenue, the  
26 Department of Agriculture, the Department of Financial and

1 Professional Regulation, and the Department of State Police for  
2 the purposes of documenting each cannabis plant and monitoring  
3 plant development throughout the life cycle of a cannabis plant  
4 cultivated for the intended use by a customer from seed  
5 planting to final packaging.

6 "Cannabis testing facility" means an entity registered by  
7 the Department of Agriculture to test cannabis for potency and  
8 contaminants.

9 "Clone" means a plant section from a female cannabis plant  
10 not yet rootbound, growing in a water solution or other  
11 propagation matrix, that is capable of developing into a new  
12 plant.

13 "Conditional Adult Use Dispensing Organization License"  
14 means a license awarded to top-scoring applicants for an Adult  
15 Use Dispensing Organization License that reserves the right to  
16 a dispensing organization license if the applicant meets  
17 certain conditions described in this Article, but does not  
18 entitle the recipient to begin purchasing or selling cannabis  
19 or cannabis-infused products.

20 "Craft grower" means a facility operated by an organization  
21 or business that is licensed by the Department of Agriculture  
22 to cultivate, dry, cure, and package cannabis and perform other  
23 necessary activities to make cannabis available for sale at a  
24 dispensing organization or use at a processing organization. A  
25 craft grower may contain up to 5,000 square feet of canopy  
26 space on its premises for cultivating plants in the flowering

1 stage. The Department of Agriculture may authorize an increase  
2 or decrease of flowering stage cultivation space in increments  
3 of 3,000 square feet by rule based on market need, craft grower  
4 capacity, and the licensee's history of compliance or  
5 noncompliance, with a maximum space of 14,000 square feet for  
6 cultivating plants in the flowering stage, which must be  
7 cultivated in all stages of growth in an enclosed and secure  
8 area. A craft grower may share premises with a processing  
9 organization or a dispensing organization, or both, provided  
10 each licensee stores currency and cannabis or cannabis-infused  
11 products in a separate secured vault to which the other  
12 licensee does not have access or all licensees sharing a vault  
13 share more than 50% of the same ownership.

14 "Craft grower agent" means a principal officer, board  
15 member, employee, or other agent of a craft grower who is 21  
16 years of age or older and has not been convicted of an excluded  
17 offense.

18 "Craft Grower Agent Identification Card" means a document  
19 issued by the Department of Agriculture that identifies a  
20 person as a craft grower agent.

21 "Cultivation center" means a facility operated by an  
22 organization or business that is licensed by the Department of  
23 Agriculture to cultivate, process, transport (unless otherwise  
24 limited by this Act), and perform other necessary activities to  
25 provide cannabis and cannabis-infused products to cannabis  
26 business establishments.



1 "Cultivation center agent" means a principal officer,  
2 board member, employee, or other agent of a cultivation center  
3 who is 21 years of age or older and has not been convicted of an  
4 excluded offense.

5 "Cultivation Center Agent Identification Card" means a  
6 document issued by the Department of Agriculture that  
7 identifies a person as a cultivation center agent.

8 "Currency" means currency and coin of the United States.

9 "Dispensing organization" or "dispensary" means a facility  
10 operated by an organization or business that is licensed by the  
11 Department of Financial and Professional Regulation to acquire  
12 cannabis from a cultivation center, craft grower, processing  
13 organization, or another dispensary for the purpose of selling  
14 or dispensing cannabis, cannabis-infused products, cannabis  
15 seeds, paraphernalia, or related supplies under this Act to  
16 purchasers or to qualified registered medical cannabis  
17 patients and caregivers. As used in this Act, dispensary  
18 organization shall include a registered medical cannabis  
19 organization as defined in the Compassionate Use of Medical  
20 Cannabis Pilot Program Act or its successor Act that has  
21 obtained an Early Approval Adult Use Dispensing Organization  
22 License.

23 "Dispensing organization agent" means a principal officer,  
24 board member, employee, or agent of a dispensing organization  
25 who is 21 years of age or older and has not been convicted of an  
26 excluded offense.

1 "Dispensing organization agent identification card" means  
2 a document issued by the Department of Financial and  
3 Professional Regulation that identifies a person as a  
4 dispensing organization agent.

5 "Disproportionately Impacted Area" means a census tract or  
6 comparable geographic area that satisfies the following  
7 criteria as determined by the Department of Commerce and  
8 Economic Opportunity, that:

9 (1) meets at least one of the following criteria:

10 (A) the area has a poverty rate of at least 20%  
11 according to the latest federal decennial census; or

12 (B) 75% or more of the children in the area  
13 participate in the federal free lunch program  
14 according to reported statistics from the State Board  
15 of Education; or

16 (C) at least 20% of the households in the area  
17 receive assistance under the Supplemental Nutrition  
18 Assistance Program; or

19 (D) the area has an average unemployment rate, as  
20 determined by the Illinois Department of Employment  
21 Security, that is more than 120% of the national  
22 unemployment average, as determined by the United  
23 States Department of Labor, for a period of at least 2  
24 consecutive calendar years preceding the date of the  
25 application; and

26 (2) has high rates of arrest, conviction, and

1       incarceration related to sale, possession, use,  
2       cultivation, manufacture, or transport of cannabis.

3       "Early Approval Adult Use Cultivation Center License"  
4       means a license that permits a medical cannabis cultivation  
5       center licensed under the Compassionate Use of Medical Cannabis  
6       Pilot Program Act on the effective date of this Act to begin  
7       cultivating, packaging, transporting (unless otherwise  
8       provided in this Act), and selling cannabis to cannabis  
9       business establishments for resale to purchasers as permitted  
10      by this Act as of January 1, 2020.

11      "Early Approval Adult Use Dispensing Organization License"  
12      means a license that permits a medical cannabis dispensing  
13      organization licensed under the Compassionate Use of Medical  
14      Cannabis Pilot Program Act on the effective date of this Act to  
15      begin selling cannabis to purchasers as permitted by this Act  
16      as of January 1, 2020.

17      "Enclosed, locked facility" means a room, greenhouse,  
18      building, or other enclosed area equipped with locks or other  
19      security devices that permit access only by cannabis business  
20      establishment agents working for the registered cannabis  
21      business establishment or acting pursuant to this Act to  
22      cultivate, process, store, or distribute cannabis.

23      "Enclosed, locked space" means a room, greenhouse,  
24      building or other enclosed area equipped with locks or other  
25      security devices that permit access only by authorized  
26      individuals under this Act. "Enclosed, locked facility" may

1 include:

2 (1) a room within a residential building that (i) is  
3 the primary residence of the individual registered to home  
4 grow 5 or fewer cannabis plants in the flowering stage, and  
5 (ii) includes sleeping quarters and indoor plumbing. The  
6 room must only be accessible by a key or code that is  
7 different from any key or code that can be used to access  
8 the residential building from the exterior; or

9 (2) a structure, such as a shed or greenhouse, that  
10 lies on the same plot of land as a residential building  
11 that (i) includes sleeping quarters and indoor plumbing,  
12 and (ii) is used as a primary residence by the person  
13 registered to home grow 5 or fewer cannabis plants in the  
14 flowering stage, such as, but limited to, a shed or  
15 greenhouse. The structure must remain locked when it is  
16 unoccupied by people.

17 "Excluded offense" means a conviction or admission of guilt  
18 for:

19 (1) a violent crime as defined in Section 3 of the  
20 Rights of Crime Victims and Witnesses Act; or

21 (2) a felony violation of State or federal controlled  
22 substance law, the Cannabis Control Act, or the  
23 Methamphetamine Control and Community Protection Act, if  
24 the conviction either occurred less than 10 years before  
25 the person applied for a license or the sentence has not  
26 yet been discharged.

1 "Excluded offense" does not include minor violations  
2 eligible for expungement under this Act.

3 "Financial institution" has the same meaning as "financial  
4 organization" as defined in Section 1501 of the Illinois Income  
5 Tax Act, and also includes the holding companies, subsidiaries,  
6 and affiliates of such financial organizations.

7 "Flowering stage" means the stage of cultivation where and  
8 when a cannabis plant is cultivated to produce plant material  
9 for cannabis products. This includes mature plants as follows:

10 (1) if greater than 2 stigmas are visible at each  
11 internode of the plant; or

12 (2) if the cannabis plant is in an area that has been  
13 intentionally deprived of light for a period of time  
14 intended to produce flower buds and induce maturation, from  
15 the moment the light deprivation began through the  
16 remainder of the marijuana plant growth cycle.

17 "Individual" means a natural person.

18 "Kief" means the resinous crystal-like trichomes that are  
19 found on cannabis and that are accumulated, resulting in a  
20 higher concentration of cannabinoids, untreated by heat or  
21 pressure, or extracted using a solvent.

22 "Labor peace agreement" means an agreement between a  
23 licensee and any labor organization recognized under the  
24 National Labor Relations Act, referred to in this Act as a bona  
25 fide labor organization, that prohibits labor organizations  
26 and members from engaging in picketing, work stoppages,

1     boycotts, and any other economic interference with the  
2     applicant's business. This agreement means that the licensee or  
3     applicant has agreed not to disrupt efforts by the bona fide  
4     labor organization to communicate with, and attempt to organize  
5     and represent, the licensee or applicant's employees. The  
6     agreement shall provide a bona fide labor organization access  
7     at reasonable times to areas in which the licensee or  
8     applicant's employees work, for the purpose of meeting with  
9     employees to discuss their right to representation, employment  
10    rights under State law, and terms and conditions of employment.  
11    This type of agreement shall not mandate a particular method of  
12    election or certification of the bona fide labor organization.

13       "Limited access area" means a building, room, or other area  
14    under the control of a medical cannabis dispensing organization  
15    licensed under the Compassionate Use of Medical Cannabis Pilot  
16    Program Act and upon the registered premises with access  
17    limited to qualifying patients, designated caregivers,  
18    dispensary owners and other dispensary agents or service  
19    professionals conducting business with the dispensing  
20    organization.

21       "Member of an impacted family" means an individual who has  
22    a parent, legal guardian, child, spouse, or dependent, or was a  
23    dependent of an individual who, prior to the effective date of  
24    this Act, was arrested for, convicted of, or adjudged to be a  
25    ward of the juvenile court for any offense that is eligible for  
26    expungement under this Act.

1 "Mother plant" means a cannabis plant that is cultivated or  
2 maintained for the purpose of generating clones, and that will  
3 not be used to produce plant material for sale to a processor  
4 or dispensary.

5 "Ordinary public view" means within the sight line with  
6 normal visual range of a person, unassisted by visual aids,  
7 from a public street or sidewalk adjacent to real property, or  
8 from within an adjacent property.

9 "Ownership and control" means ownership of at least 51% of  
10 the business, including corporate stock if a corporation, and  
11 control over the management and day-to-day operations of the  
12 business and an interest in the capital, assets, and profits  
13 and losses of the business proportionate to percentage of  
14 ownership.

15 "Person" means a natural individual, firm, partnership,  
16 association, joint stock company, joint venture, public or  
17 private corporation, limited liability company, or a receiver,  
18 executor, trustee, guardian, or other representative appointed  
19 by order of any court.

20 "Possession limit" means the amount of cannabis under  
21 Section 10-10 that may be possessed at any one time by a person  
22 21 years of age or older or who is a registered qualifying  
23 medical cannabis patient or caregiver under the Compassionate  
24 Use of Medical Cannabis Pilot Program Act.

25 "Principal officer" includes a cannabis business  
26 establishment applicant or registered cannabis business

1 establishment's board member, owner with more than one percent  
2 interest of the total cannabis business establishment or more  
3 than 5% interest of the total cannabis business establishment  
4 of a publicly traded company, president, vice president,  
5 secretary, treasurer, partner, officer, member, manager  
6 member, or person with a profit sharing, financial interest, or  
7 revenue sharing arrangement. The definition includes a person  
8 with authority to control the cannabis business establishment,  
9 a person who assumes responsibility for the debts of the  
10 cannabis business establishment and who is further defined in  
11 this Article.

12 "Primary residence" means a dwelling where a person usually  
13 stays or stays more often than other locations. It may be  
14 determined by, without limitation, presence, tax filings,  
15 address on driver's license or State ID, or voter registration.  
16 No person may have more than one primary residence.

17 "Process" or "processing" means the act of converting  
18 harvested cannabis plant material into a cannabis concentrate  
19 by physical or chemical means for use as a cannabis concentrate  
20 or as an ingredient in a cannabis-infused product. Processing  
21 also includes the act of infusing cannabis oil or concentrate  
22 into food, oils, ointments, tinctures, or other products  
23 approved for sale under this Act.

24 "Processing organization" or "processor" means a facility  
25 operated by an organization or business that is licensed by the  
26 Department of Agriculture to process cannabis and perform other



1 necessary activities to make cannabis available for sale at a  
2 dispensing organization or use at another processing  
3 organization.

4 "Processing organization agent" means a principal officer,  
5 board member, employee, or agent of a processing organization.

6 "Processing organization agent identification card" means  
7 a document issued by the Department of Agriculture that  
8 identifies a person as a processing organization agent.

9 "Purchaser" means a person 21 years of age or older who  
10 acquires cannabis for a valuable consideration. "Purchaser"  
11 does not include a cardholder under the Compassionate Use of  
12 Medical Cannabis Pilot Program Act.

13 "Qualified Social Equity Applicant" means a Social Equity  
14 Applicant who has been awarded a conditional license under this  
15 Act to operate a cannabis business establishment.

16 "Resided" means an individual's primary residence was  
17 located within the relevant geographic area as established by 2  
18 of the following:

19 (1) a signed lease agreement that includes the  
20 applicant's name;

21 (2) a property deed that includes the applicant's name;

22 (3) school records;

23 (4) a voter registration card;

24 (5) an Illinois driver's license, an Illinois  
25 Identification Card, or an Illinois Person with a  
26 Disability Identification Card;

1           (6) a paycheck stub; or

2           (7) a utility bill.

3           "Smoking" means the inhalation of smoke caused by the  
4 combustion of cannabis.

5           "Social Equity Applicant" means an applicant that is an  
6 Illinois resident that meets one of the following criteria:

7           (1) an applicant with at least 51% ownership and  
8 control by one or more individuals who have resided for at  
9 least 5 of the preceding 10 years in a Disproportionately  
10 Impacted Area;

11           (2) an applicant with at least 51% of ownership and  
12 control by one or more individuals who have been arrested  
13 for, convicted of, or adjudged to be a ward of the juvenile  
14 court for any offense that is eligible for expungement  
15 under this Act or member of an impacted family;

16           (3) for applicants with a minimum of 10 full-time  
17 employees, an applicant with at least 51% of current  
18 employees who:

19           (i) currently reside in a Disproportionately  
20 Impacted Area; or

21           (ii) have been arrested for, convicted of, or  
22 adjudged to be a ward of the juvenile court for any  
23 offense that is eligible for expungement under this Act  
24 or member of an impacted family.

25           "Tincture" means a solution made by dissolving  
26 cannabis in alcohol.

1 "Transporting organization" or "transporter" means an  
2 organization or business that is licensed by the Department of  
3 Agriculture to transport cannabis on behalf of a cannabis  
4 business establishment.

5 "Transporting organization agent" means a principal  
6 officer, board member, employee, or agent of a transporting  
7 organization.

8 "Transporting organization agent identification card"  
9 means a document issued by the Department of Agriculture that  
10 identifies a person as a transporting organization agent.

11 "Unit of local government" means any county, township,  
12 city, village, or incorporated town.

13 "Vegetative stage" means the stage of cultivation in which  
14 a cannabis plant is propagated to produce additional cannabis  
15 plants or reach a sufficient size for production. This includes  
16 seedlings, clones, mothers, and other immature cannabis plants  
17 as follows:

18 (1) if the cannabis plant is in an area that has not  
19 been intentionally deprived of light for a period of time  
20 intended to produce flower buds and induce maturation, it  
21 has no more than 2 stigmas visible at each internode of the  
22 cannabis plant; or

23 (2) any cannabis plant that is cultivated solely for  
24 the purpose of propagating clones and is never used to  
25 produce cannabis.

ARTICLE 5.

AUTHORITY

Section 5-5. Sharing of authority. Notwithstanding any provision or law to the contrary, any authority granted to any State agency or State employees or appointees under the Compassionate Use of Medical Cannabis Pilot Program Act shall be shared by any State agency or State employees or appointees given authority to license, discipline, revoke, regulate, or make rules under this Act.

Section 5-10. Department of Agriculture. The Department of Agriculture shall administer and enforce provisions of this Act relating to the oversight and registration of cultivation centers, craft growers, processing organizations, and transporting organizations and agents, including the issuance of identification cards and establishing limits on potency or serving size for cannabis or cannabis products. The Department of Agriculture may suspend or revoke the license of, or impose other penalties upon cultivation centers, craft growers, processing organizations, and transporting organizations for violations of this Act and any rules adopted under this Act.

Section 5-15. Department of Financial and Professional Regulation. The Department of Financial and Professional Regulation shall enforce the provisions of this Act relating to

1 the oversight and registration of dispensing organizations and  
2 agents, including the issuance of identification cards for  
3 dispensing organization agents. The Department of Financial  
4 and Professional Regulation may suspend or revoke the license  
5 of, or impose other penalties upon dispensing organizations for  
6 violations of this Act and any rules adopted under this Act.

7 Section 5-20. Background checks.

8 (a) Through the Department of State Police, the licensing  
9 or issuing Department shall conduct a criminal history record  
10 check of the prospective principal officers, board members, and  
11 agents of a cannabis establishment applying for a license or  
12 identification card under this Act.

13 Each cannabis establishment prospective principal officer,  
14 board member, or agent shall submit his or her fingerprints to  
15 the Department of State Police in the form and manner  
16 prescribed by the Department of State Police.

17 Such fingerprints shall be transmitted through a live scan  
18 fingerprint vendor licensed by the Department of Financial and  
19 Professional Regulation. These fingerprints shall be checked  
20 against the fingerprint records now and hereafter filed in the  
21 Department of State Police and Federal Bureau of Investigation  
22 criminal history records databases. The Department of State  
23 Police shall charge a fee for conducting the criminal history  
24 record check, which shall be deposited into the State Police  
25 Services Fund and shall not exceed the actual cost of the State

1 and national criminal history record check. The Department of  
2 State Police shall furnish, pursuant to positive  
3 identification, all Illinois conviction information and shall  
4 forward the national criminal history record information to:

5 (i) the Department of Agriculture, with respect to a  
6 cultivation center, craft grower, processing organization,  
7 or transporting organization; or

8 (ii) the Department of Financial and Professional  
9 Regulation, with respect to a dispensing organization.

10 (b) When applying for the initial license or identification  
11 card, the background checks for all prospective principal  
12 officers, board members, and agents shall be completed before  
13 submitting the application to the licensing or issuing agency.

14 Section 5-25. Department of Public Health to make health  
15 warning recommendations.

16 (a) The Department of Public Health shall make  
17 recommendations to the Department of Agriculture and the  
18 Department of Financial and Professional Regulation on  
19 appropriate health warnings for dispensaries and advertising,  
20 which may apply to all cannabis products, including item-type  
21 specific labeling or warning requirements, regulate the  
22 facility where cannabis-infused products are made, regulate  
23 cannabis-infused products as provided in subsection (h) of  
24 Section 55-5, and facilitate the Adult Use Cannabis Health  
25 Advisory Committee.

1           (b) An Adult Use Cannabis Health Advisory Committee is  
2 hereby created and shall meet at least twice annually. The  
3 Chairperson may schedule meetings more frequently upon his or  
4 her initiative or upon the request of a Committee member.  
5 Meetings may be held in person or by teleconference. The  
6 Committee shall discuss and monitor changes in drug use data in  
7 Illinois and the emerging science and medical information  
8 relevant to the health effects associated with cannabis use and  
9 may provide recommendations to the Department of Human Services  
10 about public health awareness campaigns and messages. The  
11 Committee shall include the following members appointed by the  
12 Governor and shall represent the geographic, ethnic and racial  
13 diversity of the State:

14           (1) The Director of Public Health, or his or her  
15 designee, who shall serve as the Chairperson.

16           (2) The Secretary of Human Services, or his or her  
17 designee, who shall serve as the Co-Chairperson.

18           (3) A representative of the poison control center.

19           (4) A pharmacologist.

20           (5) A pulmonologist.

21           (6) An emergency room physician.

22           (7) An Emergency medical technician, paramedic, or  
23 other first responder.

24           (8) A nurse practicing in a school-based setting.

25           (9) A psychologist.

26           (10) A neonatologist.

(11) An obstetrician-gynecologist.

(12) A drug epidemiologist.

(13) A medical toxicologist.

(14) An addiction psychiatrist.

(15) A pediatrician.

(16) A representative of a statewide professional public health organization.

(17) A representative of a statewide hospital/health system association.

(18) An individual registered as a patient in the Compassionate Use of Medical Cannabis Pilot Program.

(19) An individual registered as a caregiver in the Compassionate Use of Medical Cannabis Pilot Program.

(20) A representative of an organization focusing on cannabis-related policy.

(21) A representative of an organization focusing on the civil liberties of individuals who reside in Illinois.

(22) A representative of the criminal defense or civil aid community of attorneys serving Disproportionately Impacted Areas.

(23) A representative of licensed cannabis business establishments.

(24) A Social Equity Applicant.

(25) A naturopath.

(c) The Committee shall provide a report by September 30, 2021, and every year thereafter, to the General Assembly. The



1 Department of Public Health shall make the report available on  
2 its website.

3 Section 5-30. Department of Human Services. The Department  
4 of Human Services shall identify evidence-based programs for  
5 the prevention or treatment of alcohol abuse, tobacco use,  
6 illegal drug use (including prescription drugs), and cannabis  
7 use by pregnant women, and make policy recommendations, as  
8 appropriate, to the Adult Use Cannabis Health Advisory  
9 Committee. The Department of Human Services shall develop and  
10 disseminate educational materials for consumers based on  
11 recommendations received from the Department of Public Health  
12 and the Adult Use Cannabis Health Advisory Committee.

13 Section 5-45. Illinois Cannabis Regulation Oversight  
14 Officer.

15 (a) The position of Illinois Cannabis Regulation Oversight  
16 Officer is created within the Department of Financial and  
17 Professional Regulation under the Director of the Division of  
18 Professional Regulation. The position of Illinois Cannabis  
19 Regulation Oversight Officer shall be appointed by the  
20 Governor.

21 (b) The Illinois Cannabis Regulation Oversight Officer  
22 may:

23 (1) maintain a staff of up to 5 persons;

24 (2) make recommendations for policy, statute, and rule

1 changes;

2 (3) collect data both in Illinois and outside Illinois  
3 regarding the regulation of cannabis;

4 (4) compile or assist in the compilation of any reports  
5 required by this Act;

6 (5) ensure the coordination of efforts between various  
7 State agencies involved in regulating and taxing the sale  
8 of cannabis in Illinois; and

9 (6) encourage, promote, suggest, and report best  
10 practices for ensuring diversity in the cannabis industry  
11 in Illinois.

12 (c) The Illinois Cannabis Regulation Oversight Officer  
13 shall not:

14 (1) participate in the issuance of any business  
15 licensing or the making of awards; or

16 (2) participate in any adjudicative decision-making  
17 process involving licensing or licensee discipline.

18 (d) Any funding required for the Illinois Cannabis  
19 Regulation Oversight Officer, its staff, or its activities  
20 shall be drawn from the Cannabis Regulation Fund.

21 (e) The Illinois Cannabis Regulation Oversight Officer  
22 shall commission and publish a disparity and availability study  
23 by March 1, 2021 that: (1) evaluates whether there exists  
24 discrimination in the State's cannabis industry; and (2) if so,  
25 evaluates the impact of such discrimination on the State and  
26 includes recommendations to the Department of Financial and

1 Professional Regulation for reducing or eliminating any  
2 identified barriers to entry in the cannabis market. The  
3 Illinois Cannabis Regulation Oversight Officer shall forward a  
4 copy of its findings and recommendations to the Department of  
5 Financial and Professional Regulation, the Department of  
6 Agriculture, the Department of Commerce and Economic  
7 Opportunity, and the Governor.

8 ARTICLE 7.

9 SOCIAL EQUITY IN THE CANNABIS INDUSTRY

10 Section 7-1. Findings.

11 (a) In the interest of establishing a legal cannabis  
12 industry that is equitable and accessible to those most  
13 adversely impacted by the enforcement of drug-related laws in  
14 this State, including cannabis-related laws, the General  
15 Assembly finds and declares that a social equity program should  
16 be established.

17 (b) The General Assembly also finds and declares that  
18 individuals who have been arrested or incarcerated due to drug  
19 laws suffer long-lasting negative consequences, including  
20 impacts to employment, business ownership, housing, health,  
21 and long-term financial well-being.

22 (c) The General Assembly also finds and declares that  
23 family members, especially children, and communities of those  
24 who have been arrested or incarcerated due to drug laws, suffer

1 from emotional, psychological, and financial harms as a result  
2 of such arrests or incarcerations.

3 (d) Furthermore, the General Assembly finds and declares  
4 that certain communities have disproportionately suffered the  
5 harms of enforcement of cannabis-related laws. Those  
6 communities face greater difficulties accessing traditional  
7 banking systems and capital for establishing businesses.

8 (e) The General Assembly also finds that individuals who  
9 have resided in areas of high poverty suffer negative  
10 consequences, including barriers to entry in employment,  
11 business ownership, housing, health, and long-term financial  
12 well-being.

13 (f) The General Assembly also finds and declares that  
14 promotion of business ownership by individuals who have resided  
15 in areas of high poverty and high enforcement of  
16 cannabis-related laws furthers an equitable cannabis industry.

17 (g) Therefore, in the interest of remedying the harms  
18 resulting from the disproportionate enforcement of  
19 cannabis-related laws, the General Assembly finds and declares  
20 that a social equity program should offer, among other things,  
21 financial assistance and license application benefits to  
22 individuals most directly and adversely impacted by the  
23 enforcement of cannabis-related laws who are interested in  
24 starting cannabis business establishments.

25 Section 7-10. Cannabis Business Development Fund.

1           (a) There is created in the State treasury a special fund,  
2           which shall be held separate and apart from all other State  
3           moneys, to be known as the Cannabis Business Development Fund.  
4           The Cannabis Business Development Fund shall be exclusively  
5           used for the following purposes:

6                 (1) to provide low-interest rate loans to Social Equity  
7           Applicants to pay for ordinary and necessary expenses to  
8           start and operate a cannabis business establishment  
9           permitted by this Act;

10                (2) to provide grants to Qualified Social Equity  
11           Applicants to pay for ordinary and necessary expenses to  
12           start and operate a cannabis business establishment  
13           permitted by this Act;

14                (3) to compensate the Department of Commerce and  
15           Economic Opportunity for any staff costs related to the  
16           provision of low-interest loans and grants to Qualified  
17           Social Equity Applicants;

18                (4) to pay for outreach that may be provided or  
19           targeted to attract and support Social Equity Applicants;

20                (5) to compensate the Department of Financial and  
21           Professional Regulation and the Department of Agriculture  
22           for any licensing fees waived for Social Equity Applicants  
23           under this Act;

24                (6) to conduct any study or research concerning the  
25           participation of minorities, women, veterans, or people  
26           with disabilities in the cannabis industry, including,

1 without limitation, barriers to such individuals entering  
2 the industry as equity owners of cannabis business  
3 establishments;

4 (7) to assist individuals with past cannabis  
5 convictions that are eligible for expungement under this  
6 Act seek expungement; and

7 (8) to assist with job training and technical  
8 assistance for residents in Disproportionately Impacted  
9 Areas.

10 (b) All moneys collected under Sections 15-15 and 15-20 for  
11 Early Approval Adult Use Dispensing Organization Licenses  
12 issued before January 1, 2021, and remunerations made as a  
13 result of transfers of permits awarded to Qualified Social  
14 Equity Applicants shall be deposited into the Cannabis Business  
15 Development Fund.

16 (c) As soon as practical after July 1, 2019, the  
17 Comptroller shall order and the Treasurer shall transfer  
18 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund  
19 to the Cannabis Business Development Fund.

20 (d) Notwithstanding any other law to the contrary, the  
21 Cannabis Business Development Fund is not subject to sweeps,  
22 administrative charge-backs, or any other fiscal or budgetary  
23 maneuver that would in any way transfer any amounts from the  
24 Cannabis Business Development Fund into any other fund of the  
25 State.

1           Section 7-15. Loans and grants to Social Equity Applicants.

2           (a) The Department of Commerce and Economic Opportunity may  
3       establish grant and loan programs, subject to appropriations  
4       from the Cannabis Business Development Fund, for the purposes  
5       of providing financial assistance, loans, grants, and  
6       technical assistance to Social Equity Applicants.

7           (b) The Department of Commerce and Economic Opportunity has  
8       the power to:

9           (1) provide Cannabis Social Equity loans and grants  
10       from appropriations from the Cannabis Business Development  
11       Fund to assist Social Equity Applicants in gaining entry  
12       to, and successfully operating in, the State's regulated  
13       cannabis marketplace;

14          (2) enter into agreements that set forth terms and  
15       conditions of the financial assistance, accept funds, or  
16       grants, and engage in cooperation with private entities and  
17       agencies of State or local government to carry out the  
18       purposes of this Section;

19          (3) fix, determine, charge, and collect any premiums,  
20       fees, charges, costs and expenses, including application  
21       fees, commitment fees, program fees, financing charges, or  
22       publication fees in connection with its activities under  
23       this Section;

24          (4) coordinate assistance under this program with  
25       activities of the Illinois Department of Financial and  
26       Professional Regulation, the Illinois Department of

1 Agriculture, and other agencies as needed to maximize the  
2 effectiveness and efficiency of this Act;

3 (5) provide staff, administration, and related support  
4 required to administer this Section;

5 (6) take whatever actions are necessary or appropriate  
6 to protect the State's interest if bankruptcy, default,  
7 foreclosure, or noncompliance with the terms and  
8 conditions of financial assistance provided under this  
9 Section, including the ability to recapture funds if the  
10 recipient is found to be noncompliant with the terms and  
11 conditions of the financial assistance agreement;

12 (7) establish application, notification, contract, and  
13 other forms, procedures, or rules deemed necessary and  
14 appropriate; and

15 (8) utilize vendors or contract work to carry out the  
16 purposes of this Act.

17 (c) Loans made under this Section:

18 (1) shall only be made if, in the Department's  
19 judgment, the project furthers the goals set forth in this  
20 Act; and

21 (2) shall be in such principal amount and form and  
22 contain such terms and provisions with respect to security,  
23 insurance, reporting, delinquency charges, default  
24 remedies, and other matters as the Department shall  
25 determine appropriate to protect the public interest and to  
26 be consistent with the purposes of this Section. The terms



1 and provisions may be less than required for similar loans  
2 not covered by this Section.

3 (d) Grants made under this Section shall be awarded on a  
4 competitive and annual basis under the Grant Accountability and  
5 Transparency Act. Grants made under this Section shall further  
6 and promote the goals of this Act, including promotion of  
7 Social Equity Applicants, job training and workforce  
8 development, and technical assistance to Social Equity  
9 Applicants.

10 (e) Beginning January 1, 2021 and each year thereafter, the  
11 Department shall annually report to the Governor and the  
12 General Assembly on the outcomes and effectiveness of this  
13 action that shall include the following:

14 (1) the number of persons or businesses receiving  
15 financial assistance under this Section;

16 (2) the amount in financial assistance awarded in the  
17 aggregate, in addition to the amount in loans made that are  
18 outstanding and the amount of grants awarded;

19 (3) the location of the project engaged in by the  
20 person or business; and

21 (4) if applicable, the number of new jobs and other  
22 forms of economic output created as a result of the  
23 financial assistance.

24 (f) The Department of Commerce and Economic Opportunity  
25 shall include engagement with individuals with limited English  
26 proficiency as part of its outreach provided or targeted to

1 attract and support Social Equity Applicants.

2 Section 7-20. Fee waivers.

3 (a) The Department of Financial and Professional  
4 Regulation and the Department of Agriculture shall waive 50% of  
5 any nonrefundable license application fees (up to 2  
6 applications) and any nonrefundable fees associated with  
7 purchasing a license to operate a cannabis business  
8 establishment (up to 2 licenses), provided a Social Equity  
9 Applicant meets the following qualifications at the time the  
10 payment is due:

11 (1) the applicant, including all individuals and  
12 entities with 10% or greater ownership and all parent  
13 companies, subsidiaries, and affiliates, has less than a  
14 total of \$750,000 of income in the previous calendar year;  
15 and

16 (2) the applicant, including all individuals and  
17 entities with 10% or greater ownership and all parent  
18 companies, subsidiaries, and affiliates, has no more than 2  
19 other licenses for cannabis business establishments in the  
20 State of Illinois.

21 (b) The Department of Financial and Professional  
22 Regulation and the Department of Agriculture may require Social  
23 Equity Applicants to attest that they meet the requirements for  
24 a fee waiver as provided in subsection (a) and to provide  
25 evidence of annual total income in the previous calendar year.

1 (c) The Department of Financial and Professional  
2 Regulation and the Department of Agriculture shall be  
3 compensated at an equal amount to any fees waived under  
4 subsection (a) of this Section from moneys in the Cannabis  
5 Business Development Fund.

6 (d) If the Department of Financial and Professional  
7 Regulation or the Department of Agriculture determines that an  
8 applicant who applied as a Social Equity Applicant is not  
9 eligible for such status, the applicant shall be provided an  
10 additional 10 days to provide alternative evidence that he or  
11 she qualifies as a Social Equity Applicant. Alternatively, the  
12 applicant may pay the remainder of the waived fee and be  
13 considered as a non-Social Equity Applicant. If the applicant  
14 cannot do either, then the Departments may keep the initial  
15 application fee and the application shall not be graded and the  
16 application shall not be graded.

17 Section 7-25. Transfer of license awarded to Social Equity  
18 Applicant.

19 (a) In the event a Social Equity Applicant seeks to  
20 transfer, sell, or grant a cannabis business establishment  
21 license within 5 years after it was issued to a person or  
22 entity that does not qualify as a Social Equity Applicant, the  
23 transfer agreement shall require the new license holder to pay  
24 the Cannabis Business Development Fund an amount equal to:

25 (1) any fees that were waived by any State agency based

1 on the applicant's status as a Social Equity Applicant, if  
2 applicable;

3 (2) any outstanding amount owed by the Qualified Social  
4 Equity Applicant for a loan through the Cannabis Business  
5 Development Fund, if applicable; and

6 (3) the full amount of any grants that the Qualified  
7 Social Equity Applicant received from the Department of  
8 Commerce and Economic Opportunity, if applicable.

9 (b) Transfers of cannabis establishment licenses awarded  
10 to a Social Equity Applicant are subject to all other  
11 provisions of this Act, the Compassionate Use of Medical  
12 Cannabis Pilot Program Act, and rules regarding transfers.

13 Section 7-30. Reporting. By January 1, 2021, and on January  
14 1 of every year thereafter, or upon request by the Illinois  
15 Cannabis Regulation Oversight Officer, each cannabis business  
16 establishment licensed under this Act shall report to the  
17 Illinois Cannabis Regulation Oversight Officer, on a form to be  
18 provided by the Illinois Cannabis Regulation Oversight  
19 Officer, information that will allow it to assess the extent of  
20 diversity in the medical and adult use cannabis industry and  
21 methods for reducing or eliminating any identified barriers to  
22 entry, including access to capital. The information shall  
23 include:

24 (1) the number and percentage of licenses provided to  
25 minority-owned, women-owned, and veteran-owned businesses;

1 (2) the total number and percentage of minority, women,  
2 and veteran employees in the cannabis industry; and

3 (3) recommendations on reducing or eliminating any  
4 identified barriers to entry, including access to capital,  
5 in the cannabis industry.

6 ARTICLE 10.

7 PERSONAL USE OF CANNABIS

8 Section 10-5. Personal use of cannabis; restrictions on  
9 cultivation; penalties.

10 (a) Beginning January 1, 2020, notwithstanding any other  
11 provision of law, and except as otherwise provided in this Act,  
12 the following acts are not a violation of this Act and shall  
13 not be a criminal or civil offense under State law or the  
14 ordinances of any unit of local government of this State or be  
15 a basis for seizure or forfeiture of assets under State law for  
16 persons 21 years of age or older to:

17 (1) possess, consume, use, purchase, obtain, or  
18 transport an amount of cannabis for personal use that does  
19 not exceed the possession limit under Section 10-10 or  
20 otherwise in accordance with the requirements of this Act;

21 (2) cultivate cannabis for personal use in accordance  
22 with the requirements of this Act; and

23 (3) control property if actions that are authorized by  
24 this Section occur on the property.

1 (b) Cultivating cannabis for personal use is subject to the  
2 following limitations:

3 (1) An Illinois resident age 21 years of age or older  
4 may cultivate up to 5 cannabis plants per household without  
5 a cultivation center or craft grower license. In this  
6 Section, "resident" means a person who has been domiciled  
7 in the State of Illinois for a period of 30 days before  
8 cultivation.

9 (2) Cannabis cultivation must take place in an  
10 enclosed, locked secure area to cultivate cannabis for  
11 personal use, such as a room, greenhouse, building, or  
12 other enclosed area equipped with locks or other security  
13 devices that permit access only by authorized individuals  
14 under this Act. Secure areas may include:

15 (A) a room within a residential building that (i)  
16 is the primary residence of the individual registered  
17 to home grow 5 or fewer cannabis plants in the  
18 flowering stage and (ii) includes sleeping quarters  
19 and indoor plumbing. The room must only be accessible  
20 by a key or code that is different from any key or code  
21 that can be used to access the residential building  
22 from the exterior; or

23 (B) a structure, such as a shed or greenhouse, that  
24 lies on the same plot of land as a residential building  
25 that (i) includes sleeping quarters and indoor  
26 plumbing and (ii) is used as a primary residence by the

1 person registered to home grow 5 or fewer cannabis  
2 plants in the flowering stage, such as, but not limited  
3 to, a shed or greenhouse. The structure must remain  
4 locked when it is unoccupied by people.

5 (3) Adult purchasers may purchase cannabis seeds from a  
6 dispensary for the purpose of home cultivation. Seeds may  
7 not be given or sold to any other person.

8 (4) Cannabis plants shall not be stored or placed in a  
9 location where they are subject to ordinary public view, as  
10 defined in this Act. A person who cultivates cannabis under  
11 this Section shall take reasonable precautions to ensure  
12 the plants are secure from unauthorized access and access  
13 by a person under 21 years of age.

14 (5) Cannabis cultivation may occur only on residential  
15 property lawfully in possession of the cultivator or with  
16 the consent of the person in lawful possession of the  
17 property. A lessor of residential property may prohibit the  
18 cultivation of cannabis by a lessee.

19 (6) A person who is cultivating cannabis may not  
20 possess more than 5 rootbound plants at any one time.

21 (7) A dwelling, residence, apartment, condominium,  
22 enclosed, locked space, or piece of property not divided  
23 into multiple dwelling units shall not contain more than 5  
24 plants at any one time.

25 (8) Cannabis plants may only be tended by residents who  
26 reside at the residence, or their authorized agent

1 attending to the residence for brief periods, such as when  
2 the resident is temporarily away from the residence.

3 (9) A person who cultivates more than the allowable  
4 number of cannabis plants, or who sells or gives away  
5 cannabis plants, cannabis, or cannabis-infused products  
6 produced under this Section, is liable for penalties as  
7 provided by law, including the Cannabis Control Act, in  
8 addition to loss of home cultivation privileges as  
9 established by rule.

10 Section 10-10. Possession limit.

11 (a) Except if otherwise authorized by this Act, for a  
12 person who is 21 years of age or older and a resident of this  
13 State, the possession limit is as follows:

14 (1) 30 grams of cannabis flower;

15 (2) no more than 500 milligrams of THC contained in  
16 cannabis-infused product;

17 (3) 5 grams of cannabis concentrate; and

18 (4) any cannabis produced by cannabis grown under  
19 subsection (b) of Section 10-5, provided any amount of  
20 cannabis produced in excess of 30 grams of raw cannabis or  
21 its equivalent must remain secured within the residence or  
22 residential property in which it was grown.

23 (b) For a person who is 21 years of age or older and who is  
24 not a resident of this State, the possession limit is:

25 (1) 15 grams of cannabis flower;



1 (2) 2.5 grams of cannabis concentrate; and

2 (3) 250 milligrams of THC contained in a  
3 cannabis-infused product.

4 (c) The possession limits found in subsections (a) and (b)  
5 of this Section are to be considered cumulative.

6 (d) For a patient or caregiver registered under the  
7 Compassionate Use of Medical Cannabis Pilot Program Act, the  
8 possession limit shall not exceed the amount the registered  
9 patient or caregiver is authorized to purchase during any  
10 2-week period.

11 (e) No person shall knowingly obtain, seek to obtain, or  
12 possess an amount of cannabis from a dispensing organization or  
13 craft grower that would cause him or her to exceed the  
14 possession limit under this Section, including cannabis that is  
15 cultivated by a person under this Act or obtained under the  
16 Compassionate Use of Medical Cannabis Pilot Program Act.

17 Section 10-15. Persons under 21 years of age.

18 (a) Nothing in this Act is intended to permit the transfer  
19 of cannabis, with or without remuneration, to a person under 21  
20 years of age, or to allow a person under 21 years of age to  
21 purchase, possess, use, process, transport, grow, or consume  
22 cannabis except where authorized by the Compassionate Use of  
23 Medical Cannabis Pilot Program Act.

24 (b) Notwithstanding any other provisions of law  
25 authorizing the possession of medical cannabis, nothing in this

1 Act authorizes a person who is under 21 years of age to possess  
2 cannabis. A person under 21 years of age with cannabis in his  
3 or her possession equal to or under the possession limit in  
4 subsection (a) of Section 10-10 is guilty of a Class A  
5 misdemeanor. A person who is under 21 years of age with  
6 cannabis in his or her possession over the possession limit set  
7 forth in subsection (a) of Section 10-10 is subject to the  
8 provisions of the Cannabis Control Act.

9 (c) The Secretary of State may suspend or revoke the  
10 driving privileges of any person for a violation of this  
11 Section under Section 6-206 of the Illinois Vehicle Code and  
12 the rules adopted under it.

13 (d) It is unlawful for any parent or guardian to knowingly  
14 permit his or her residence, any other private property under  
15 his or her control, or any vehicle, conveyance, or watercraft  
16 under his or her control to be used by an invitee of the  
17 parent's child or the guardian's ward, if the invitee is under  
18 the age of 21, in a manner that constitutes a violation of this  
19 Section. A parent or guardian is deemed to have knowingly  
20 permitted his or her residence, any other private property  
21 under his or her control, or any vehicle, conveyance, or  
22 watercraft under his or her control to be used in violation of  
23 this Section if he or she knowingly authorizes or permits  
24 consumption of cannabis by underage invitees. Any person who  
25 violates this subsection (d) is guilty of a Class A misdemeanor  
26 and the person's sentence shall include, but shall not be

1 limited to, a fine of not less than \$500. If a violation of  
2 this subsection (d) directly or indirectly results in great  
3 bodily harm or death to any person, the person violating this  
4 subsection is guilty of a Class 4 felony. In this subsection  
5 (d) where the residence or other property has an owner and a  
6 tenant or lessee, the trier of fact may infer that the  
7 residence or other property is occupied only by the tenant or  
8 lessee.

9 Section 10-20. Identification; false identification;  
10 penalty.

11 (a) To protect personal privacy, the Department of  
12 Financial and Professional Regulation shall not require a  
13 purchaser to provide a dispensing organization with personal  
14 information other than government-issued identification to  
15 determine the purchaser's age, and a dispensing organization  
16 shall not obtain and record personal information about  
17 purchasers without the purchaser's consent. A dispensing  
18 organization shall use an electronic reader or electronic  
19 scanning device to scan a consumer's government-issued  
20 identification, if applicable, to determine the consumer's age  
21 and the validity of the identification.

22 (b) A person who is under 21 years of age may not present  
23 or offer to a cannabis business establishment or the cannabis  
24 business establishment's principal or employee any written or  
25 oral evidence of age that is false, fraudulent, or not actually

1 the person's own, for the purpose of:

2 (1) purchasing, attempting to purchase, or otherwise  
3 obtaining or attempting to obtain cannabis or any cannabis  
4 product; or

5 (2) gaining access to a cannabis establishment.

6 (c) A violation of this Section is a Class A misdemeanor  
7 consistent with Section 6-20 of the Liquor Control Act of 1934.

8 (d) The Secretary of State may suspend or revoke the  
9 driving privileges of any person for a violation of this  
10 Section under Section 6-206 of the Illinois Vehicle Code and  
11 the rules adopted under it.

12 (e) No agent or employee of the licensee shall be  
13 disciplined or discharged for selling or furnishing cannabis or  
14 cannabis products to a person under 21 years of age if the  
15 agent or employee demanded and was shown, before furnishing  
16 cannabis or cannabis products to a person under 21 years of  
17 age, adequate written evidence of age and identity of the  
18 person. This subsection (e) does not apply if the agent or  
19 employee accepted the written evidence knowing it to be false  
20 or fraudulent. Adequate written evidence of age and identity of  
21 the person is a document issued by a federal, State, county, or  
22 municipal government, or subdivision or agency thereof,  
23 including, but not limited to, a motor vehicle operator's  
24 license, a registration certificate issued under the Military  
25 Selective Service Act, or an identification card issued to a  
26 member of the Armed Forces. Proof that the licensee, or his or

1 her employee or agent was shown and reasonably relied upon such  
2 written evidence in any transaction forbidden by this Section  
3 is an affirmative defense in any criminal prosecution therefor  
4 or to any proceedings for the suspension or revocation of any  
5 license based thereon.

6 Section 10-25. Immunities and presumptions related to the  
7 use of cannabis by purchasers.

8 (a) A purchaser who is 21 years of age or older is not  
9 subject to arrest, prosecution, denial of any right or  
10 privilege, or other punishment including, but not limited to,  
11 any civil penalty or disciplinary action taken by an  
12 occupational or professional licensing board, based solely on  
13 the use of cannabis if (1) the purchaser possesses an amount of  
14 cannabis that does not exceed the possession limit under  
15 Section 10-10 and, if the purchaser is licensed, certified, or  
16 registered to practice any trade or profession under any Act  
17 and (2) the use of cannabis does not impair that person when he  
18 or she is engaged in the practice of the profession for which  
19 he or she is licensed, certified, or registered.

20 (b) A purchaser 21 years of age or older is not subject to  
21 arrest, prosecution, denial of any right or privilege, or other  
22 punishment including, but not limited to, any civil penalty or  
23 disciplinary action taken by an occupational or professional  
24 licensing board, based solely for (i) selling cannabis  
25 paraphernalia if employed and licensed as a dispensing agent by

1 a dispensing organization, or (ii) being in the presence or  
2 vicinity of the use of cannabis as allowed under this Act.

3 (c) Mere possession of, or application for, an agent  
4 identification card or license does not constitute probable  
5 cause or reasonable suspicion to believe that a crime has been  
6 committed, nor shall it be used as the sole basis to support  
7 the search of the person, property, or home of the person  
8 possessing or applying for the agent identification card. The  
9 possession of, or application for, an agent identification card  
10 does not preclude the existence of probable cause if probable  
11 cause exists based on other grounds.

12 (d) No person employed by the State of Illinois shall be  
13 subject to criminal or civil penalties for taking any action in  
14 good faith in reliance on this Act when acting within the scope  
15 of his or her employment. Representation and indemnification  
16 shall be provided to State employees as set forth in Section 2  
17 of the State Employee Indemnification Act.

18 (e) No law enforcement or correctional agency, nor any  
19 person employed by a law enforcement or correctional agency,  
20 shall be subject to criminal or civil liability, except for  
21 willful and wanton misconduct, as a result of taking any action  
22 within the scope of the official duties of the agency or person  
23 to prohibit or prevent the possession or use of cannabis by a  
24 person incarcerated at a correctional facility, jail, or  
25 municipal lockup facility, on parole or mandatory supervised  
26 release, or otherwise under the lawful jurisdiction of the

1 agency or person.

2 (f) For purposes of receiving medical care, including organ  
3 transplants, a person's use of cannabis under this Act does not  
4 constitute the use of an illicit substance or otherwise  
5 disqualify a person from medical care.

6 Section 10-30. Discrimination prohibited.

7 (a) Neither the presence of cannabinoid components or  
8 metabolites in a person's bodily fluids nor possession of  
9 cannabis-related paraphernalia, nor conduct related to the use  
10 of cannabis or the participation in cannabis-related  
11 activities lawful under this Act by a custodial or noncustodial  
12 parent, grandparent, legal guardian, foster parent, or other  
13 person charged with the well-being of a child, shall form the  
14 sole or primary basis or supporting basis for any action or  
15 proceeding by a child welfare agency or in a family or juvenile  
16 court, any adverse finding, adverse evidence, or restriction of  
17 any right or privilege in a proceeding related to adoption of a  
18 child, acting as a foster parent of a child, or a person's  
19 fitness to adopt a child or act as a foster parent of a child,  
20 or serve as the basis of any adverse finding, adverse evidence,  
21 or restriction of any right of privilege in a proceeding  
22 related to guardianship, conservatorship, trusteeship, the  
23 execution of a will, or the management of an estate, unless the  
24 person's actions in relation to cannabis created an  
25 unreasonable danger to the safety of the minor or otherwise

1 show the person to not be competent as established by clear and  
2 convincing evidence. This subsection applies only to conduct  
3 protected under this Act.

4 (b) No landlord may be penalized or denied any benefit  
5 under State law for leasing to a person who uses cannabis under  
6 this Act.

7 (c) Nothing in this Act may be construed to require any  
8 person or establishment in lawful possession of property to  
9 allow a guest, client, lessee, customer, or visitor to use  
10 cannabis on or in that property.

11 Section 10-35. Limitations and penalties.

12 (a) This Act does not permit any person to engage in, and  
13 does not prevent the imposition of any civil, criminal, or  
14 other penalties for engaging in, any of the following conduct:

15 (1) undertaking any task under the influence of  
16 cannabis when doing so would constitute negligence,  
17 professional malpractice, or professional misconduct;

18 (2) possessing cannabis:

19 (A) in a school bus, unless permitted for a  
20 qualifying patient or caregiver pursuant to the  
21 Compassionate Use of Medical Cannabis Pilot Program  
22 Act;

23 (B) on the grounds of any preschool or primary or  
24 secondary school, unless permitted for a qualifying  
25 patient or caregiver pursuant to the Compassionate Use



1 of Medical Cannabis Pilot Program Act;

2 (C) in any correctional facility;

3 (D) in a vehicle not open to the public unless the  
4 cannabis is in a reasonably secured, sealed, container  
5 and reasonably inaccessible while the vehicle is  
6 moving; or

7 (E) in a private residence that is used at any time  
8 to provide licensed child care or other similar social  
9 service care on the premises;

10 (3) using cannabis:

11 (A) in a school bus, unless permitted for a  
12 qualifying patient or caregiver pursuant to the  
13 Compassionate Use of Medical Cannabis Pilot Program  
14 Act;

15 (B) on the grounds of any preschool or primary or  
16 secondary school, unless permitted for a qualifying  
17 patient or caregiver pursuant to the Compassionate Use  
18 of Medical Cannabis Pilot Program Act;

19 (C) in any correctional facility;

20 (D) in any motor vehicle;

21 (E) in a private residence that is used at any time  
22 to provide licensed child care or other similar social  
23 service care on the premises;

24 (F) in any public place; or

25 (G) knowingly in close physical proximity to  
26 anyone under 21 years of age who is not a registered

1 medical cannabis patient under the Compassionate Use  
2 of Medical Cannabis Pilot Program Act;

3 (4) smoking cannabis in any place where smoking is  
4 prohibited under the Smoke Free Illinois Act;

5 (5) operating, navigating, or being in actual physical  
6 control of any motor vehicle, aircraft, or motorboat while  
7 using or under the influence of cannabis in violation of  
8 Section 11-501 or 11-502.1 of the Illinois Vehicle Code;

9 (6) facilitating the use of cannabis by any person who  
10 is not allowed to use cannabis under this Act or the  
11 Compassionate Use of Medical Cannabis Pilot Program Act to  
12 use cannabis;

13 (7) transferring cannabis to any person contrary to  
14 this Act or the Compassionate Use of Medical Cannabis Pilot  
15 Program Act;

16 (8) the use of cannabis by a law enforcement officer,  
17 corrections officer, probation officer, or firefighter  
18 while on duty; or

19 (9) the use of cannabis by a person who has a school  
20 bus permit or a Commercial Driver's License while on duty.

21 As used in this Section, "public place" means any place  
22 where a person could reasonably be expected to be observed by  
23 others. "Public place" includes all parts of buildings owned in  
24 whole or in part, or leased, by the State or a unit of local  
25 government. "Public place" does not include a private residence  
26 unless the private residence is used to provide licensed child

1 care, foster care, or other similar social service care on the  
2 premises.

3 (b) Nothing in this Act shall be construed to prevent the  
4 arrest or prosecution of a person for reckless driving or  
5 driving under the influence of cannabis if probable cause  
6 exists.

7 (c) Nothing in this Act shall prevent a private business  
8 from restricting or prohibiting the use of cannabis on its  
9 property, including areas where motor vehicles are parked.

10 (d) Nothing in this Act shall require an individual or  
11 business entity to violate the provisions of federal law,  
12 including colleges or universities that must abide by the  
13 Drug-Free Schools and Communities Act Amendments of 1989, which  
14 requires campuses to be drug free.

15 Section 10-40. Restoring Our Communities Program.

16 (a) The General Assembly finds that in order to address the  
17 disparity described in (a) of this Section, aggressive  
18 approaches and targeted resources to support local design and  
19 control of community-based responses to these outcomes are  
20 required, which requires identification and support of  
21 community assets that address components of the social  
22 determinants of health. To carry out this intent, the Restoring  
23 Our Communities (ROC) Program is created for the following  
24 purposes:

25 (1) to directly address the impact of economic

1       disinvestment, violence and the historical overuse of  
2       criminal justice responses to community and individual  
3       needs by providing resources to support local design and  
4       control of community-based responses to these impacts;

5           (2) to substantially reduce both the total amount of  
6       gun violence and concentrated poverty in this State;

7           (3) to protect communities from gun violence through  
8       targeted investments and intervention programs, including  
9       economic growth and improving family violence prevention,  
10      community trauma treatment rates, gun injury victim  
11      services, and public health prevention activities;

12          (4) to promote employment infrastructure and capacity  
13      building related to the social determinants of health in  
14      the eligible community areas.

15          (b) In this Section, "Authority" means the Illinois  
16      Criminal Justice Information Authority.

17          (c) Eligibility of ROC Areas. Within 60 days after the  
18      effective date of this Act, the Authority shall identify as  
19      eligible, areas in this State by way of historically recognized  
20      geographic boundaries, to be designated by the Restoring Our  
21      Communities Program Board as ROC Areas and therefore eligible  
22      to apply for ROC funding. Local groups within ROC Areas will be  
23      eligible to apply for State funding through the Restoring Our  
24      Communities Program Board. Qualifications for designation as a  
25      ROC Area are as follows:

26           (1) Based on an analysis of data, communities in this

1 State that are high need, underserved, disproportionately  
2 impacted by historical economic disinvestment, and ravaged  
3 by violence as indicated by the highest rates of gun  
4 injury, unemployment, child poverty rates, and commitments  
5 to and returns from the Illinois Department of Corrections.

6 (2) The Authority shall send to the Legislative Audit  
7 Commission and make publicly available its analysis and  
8 identification of eligible ROC Areas and shall recalculate  
9 the eligibility data every 4 years. On an annual basis, the  
10 Authority shall analyze data and indicate if data covering  
11 any ROC Area or portion of an Area has, for 4 consecutive  
12 years, substantially deviated from the average of  
13 statewide data on which the original calculation was made  
14 to determine the Areas, including disinvestment, violence,  
15 gun injury unemployment, child poverty rates, or  
16 commitments to or returns from the Illinois Department of  
17 Corrections.

18 (d) The Restoring Our Communities Program Board shall  
19 encourage collaborative partnerships within each ROC Area to  
20 minimize multiple partnerships per Area.

21 (e) The Restoring Our Communities Program Board is created  
22 and shall reflect the diversity of the State of Illinois,  
23 including geographic, racial, and ethnic diversity. Using the  
24 data provided by the Authority, the Restoring Our Communities  
25 Program Board shall be responsible for designating the ROC Area  
26 boundaries and for the selection and oversight of ROC Area

1 grantees. The Restoring Our Communities Program Board  
2 co-chairs and ex officio members shall, within 4 months after  
3 the effective date of this Act, convene the Board to appoint a  
4 full Restoring Our Communities Program Board and oversee,  
5 provide guidance to, and develop an administrative structure  
6 for the ROC Program.

7 (1) The ex officio members are:

8 (A) The Governor, or his or her designee, who shall  
9 serve as co-chair.

10 (B) The Attorney General, or his or her designee,  
11 who shall serve as co-chair.

12 (C) The Director of Commerce and Economic  
13 Opportunity, or his or her designee.

14 (D) The Director of Public Health, or his or her  
15 designee.

16 (E) The Director of Corrections, or his or her  
17 designee.

18 (F) The Executive Director of the Illinois  
19 Criminal Justice Information Authority, or his or her  
20 designee.

21 (G) The Director of Employment Security, or his or  
22 her designee.

23 (H) The Secretary of Human Services, or his or her  
24 designee.

25 (I) A member of the Senate, designated by the  
26 President of the Senate.

1           (J) A member of the House of Representatives,  
2           designated by the Speaker of the House of  
3           Representatives.

4           (K) A member of the Senate, designated by the  
5           Minority Leader of the Senate.

6           (L) A member of the House of Representatives,  
7           designated by the Minority Leader of the House of  
8           Representatives.

9           (2) Within 60 days after the ROC Areas have been  
10          designated by the Restoring Our Communities Program Board,  
11          the following members shall be appointed to the Board by  
12          the ex officio members:

13          (A) The highest elected public officials of  
14          municipal geographic jurisdictions in the State that  
15          include a ROC Area, or their designees;

16          (B) 4 community-based providers or community  
17          development organization representatives who provide  
18          services to treat violence and address the social  
19          determinants of health, or promote community  
20          investment, including, but not limited to, services  
21          such as job placement and training, educational  
22          services, workforce development programming, and  
23          wealth building. The community-based organization  
24          representatives shall work primarily in jurisdictions  
25          that include a ROC Area and no more than 2  
26          representatives shall work primarily in Cook County.

1           At least one of the community-based providers shall  
2           have expertise in providing services to an immigrant  
3           population;

4           (C) Two subject matter experts in the field of  
5           violence reduction;

6           (D) One male who has previously been incarcerated  
7           over the age of 24 at time of appointment;

8           (E) One female who has previously been  
9           incarcerated over the age of 24 at time of appointment;

10          (F) Two individuals who have previously been  
11          incarcerated between the ages of 17 and 24 at time of  
12          appointment.

13          As used in this paragraph (2), "an individual who has been  
14          previously incarcerated" means a person who has been convicted  
15          of or pled guilty to one or more felonies, who was sentenced to  
16          a term of imprisonment, and who has completed his or her  
17          sentence.

18          The Board members who are not affiliated with any  
19          governmental body will be eligible for compensation as  
20          determined by ex officio Board members within 4 months of the  
21          effective date of this Act. Once all its members have been  
22          appointed as outlined in items (A) through (F) of this  
23          paragraph (2), the Board may exercise any power, perform any  
24          function, take any action, or do anything in furtherance of its  
25          purposes and goals upon the appointment of a quorum of its  
26          members. The Board terms of the non-ex officio and General



1 Assembly Board members shall end 4 years from the date of  
2 appointment.

3 (f) Within 12 months after the effective date of this Act,  
4 the Board shall:

5 (1) develop a process to solicit applications from  
6 eligible ROC Areas;

7 (2) develop a standard template for both planning and  
8 implementation activities to be submitted by ROC Areas to  
9 the State;

10 (3) identify resources from Restoring Our Communities  
11 sufficient to support the full administration and  
12 evaluation of the ROC Program, including building and  
13 sustaining core program capacity at the community and State  
14 levels;

15 (4) review ROC Area grant applications and proposed  
16 agreements and approve the distribution of resources;

17 (5) identify and fund an organization or organizations  
18 to provide training and technical assistance to ROC Area  
19 applicants or grantees who may need capacity building  
20 support, including data collection support. The identified  
21 organization or organizations may serve as a fiscal agent  
22 for the purpose of ensuring that potential applicants in  
23 eligible ROC Areas are not deemed ineligible.

24 (6) develop a performance measurement system that  
25 focuses on positive outcomes and includes, but is not  
26 limited to: key performance indicators related to the

1 social determinants of health; the root causes of violence;  
2 outreach, intervention, and support for individuals at  
3 highest risk of violence; and decreasing the use of and  
4 impacts of a historical overuse of criminal justice  
5 responses, incarceration, and correctional control;

6 (7) develop a process to support ongoing monitoring and  
7 evaluation of ROC programs; and

8 (8) deliver an annual report to the General Assembly  
9 and to the Governor to be posted on the Governor's Office  
10 and General Assembly websites and provide to the public an  
11 annual report on its progress.

12 (g) ROC Area grants.

13 (1) Grant funds shall be awarded by the Restoring Our  
14 Communities Program Board based on the likelihood that the  
15 plan will achieve the outcomes outlined in subsection (b)  
16 and consistent with the requirements of the Grant  
17 Accountability and Transparency Act. The ROC Program shall  
18 also facilitate the provision of training and technical  
19 assistance for capacity building within and among ROC  
20 Areas.

21 (2) ROC Program Board grants shall, within the first 3  
22 to 6 months of operation:

23 (A) use data analysis and community input to  
24 assess: the needs and assets of the community and  
25 identify the issue or problems to be addressed related  
26 to the social determinants of health; the root causes

1 of violence; and outreach, intervention, and support  
2 for individuals at highest risk of violence;

3 (B) identify and use models, programs, and  
4 interventions that have a basis in evidence or best  
5 practice research for addressing needs and supporting  
6 assets related to: the social determinants of health;  
7 the root causes of violence; and outreach,  
8 intervention, and support for individuals at highest  
9 risk of violence;

10 (C) develop programming that will reduce the use of  
11 the criminal justice system to reduce violence and  
12 increase public safety; and

13 (D) develop performance measures that track the  
14 outcomes to be achieved.

15 (3) The Restoring Our Communities Program Board and the  
16 ROC Area grantees shall, within a period of no more than 2  
17 months from the completion of planning activities  
18 described in this Section, finalize an agreement on the  
19 plan for implementation. Implementation activities shall:

20 (A) have a basis in evidence or best practice  
21 research or have evaluations demonstrating the  
22 capacity to address: needs and support assets related  
23 to the social determinants of health; the root causes  
24 of violence; and outreach, intervention, and support  
25 for individuals at highest risk of violence; to produce  
26 desired outcomes;

1 (B) collect data from the inception of planning  
2 activities through implementation, with data  
3 collection technical assistance when needed, including  
4 cost data and data related to identified meaningful  
5 short-term, mid-term, and long-term goals and metrics;

6 (C) report data to the Restoring Our Communities  
7 Program Board bi-annually; and

8 (D) set aside a percentage of the total grant for  
9 core program capacity to support effective  
10 implementation to include:

11 (i) Dedicated staff at the community level to  
12 administer and coordinate the Program.

13 (ii) Data collection technology and staff to  
14 facilitate feedback between the State and local  
15 stakeholders.

16 (iii) Monitoring and evaluation.

17 (iv) Engagement in training and technical  
18 assistance with other ROC Area grantees from the  
19 State and other sources, including peer learning  
20 and cross training from other ROC programs.

21 Section 10-50. Employment; employer liability.

22 (a) Nothing in this Act shall prohibit an employer from  
23 adopting reasonable employment policies concerning smoking,  
24 consumption, storage or use of cannabis in the workplace  
25 provided that the policy is applied in a nondiscriminatory

1 manner.

2 (b) Nothing in this Act shall require an employer to permit  
3 an employee to be under the influence of or use cannabis in the  
4 employer's workplace or while performing the employee's job  
5 duties.

6 (c) Nothing in this Act shall limit an employer from  
7 disciplining an employee or terminating employment of an  
8 employee for violating an employer's employment policies or  
9 workplace drug policy.

10 (d) An employer may consider an employee to be impaired by  
11 cannabis if the employer has a good faith belief that an  
12 employee was under the influence of cannabis and the employee  
13 manifests specific, articulable symptoms while working that  
14 decrease or lessen the employee's performance of the duties or  
15 tasks of the employee's job position, including symptoms of the  
16 employee's speech, physical dexterity, agility, coordination,  
17 demeanor, irrational or unusual behavior, or negligence or  
18 carelessness in operating equipment or machinery; disregard  
19 for the safety of the employee or others, or involvement in an  
20 accident that results in serious damage to equipment or  
21 property, disruption of a production or manufacturing process,  
22 or carelessness that results in any injury to the employee or  
23 others. If an employer elects to discipline an employee on the  
24 basis that the employee is impaired by cannabis, the employer  
25 must afford the employee a reasonable opportunity to contest  
26 the basis of the determination.

1           (e) Nothing in this Act shall be construed to create or  
2     imply a cause of action for any person against an employer for:

3           (1) actions, including, but not limited to, discipline  
4     or termination of employment, based on the employer's good  
5     faith belief that an employee used or possessed cannabis in  
6     the employer's workplace or while performing the  
7     employee's job duties in violation of the employer's  
8     employment policies;

9           (2) actions, including discipline or termination of  
10    employment, based on the employer's good faith belief that  
11    an employee was impaired as a result of the use of cannabis  
12    on the employer's workplace or while performing the  
13    employee's job duties in violation of the employer's  
14    workplace drug policy; or

15          (3) injury, loss, or liability to a third party if the  
16    employer neither knew nor had reason to know that the  
17    employee was impaired.

18          (f) Nothing in this Act shall be construed to enhance or  
19    diminish protections afforded by any other law, including, but  
20    not limited to, the Compassionate Use of Medical Cannabis Pilot  
21    Program Act or the Opioid Alternative Pilot Program.

22          (g) Nothing in this Act shall be construed to interfere  
23    with any federal, State, or local restrictions on employment  
24    including but not limited to the United States Department of  
25    Transportation regulation 49 CFR 40.151(e) or impact an  
26    employer's ability to comply with federal or State law or cause

1 it to lose a federal or State contract or funding.

2 (h) As used in this Section, "workplace" means the  
3 employer's premises, including any building, real property,  
4 and parking area under the control of the employer or area used  
5 by an employee while in performance of the employee's job  
6 duties, and vehicles, whether leased, rented, or owned.  
7 Workplace may be further defined by the employer's written  
8 employment policy.

9 ARTICLE 15.

10 LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

11 Section 15-5. Authority.

12 (a) It is the duty of the Department of Financial and  
13 Professional Regulation to administer and enforce the  
14 provisions of this Act relating to the licensure and oversight  
15 of dispensing organizations and dispensing organization agents  
16 unless otherwise provided in this Act.

17 (b) No person shall operate a dispensing organization for  
18 the purpose of serving purchasers of cannabis or cannabis  
19 products without a license issued under this Article by the  
20 Department of Financial and Professional Regulation. No person  
21 shall be an officer, director, manager, or employee of a  
22 dispensing organization without having been issued a  
23 dispensing organization agent card by the Department of  
24 Financial and Professional Regulation.

1 (c) Subject to the provisions of this Act, the Department  
2 of Financial and Professional Regulation may exercise the  
3 following powers and duties:

4 (1) Prescribe forms to be issued for the administration  
5 and enforcement of this Article.

6 (2) Examine, inspect, and investigate the premises,  
7 operations, and records of dispensing organization  
8 applicants and licensees.

9 (3) Conduct investigations of possible violations of  
10 this Act pertaining to dispensing organizations and  
11 dispensing organization agents.

12 (4) Conduct hearings on proceeding to refuse to issue  
13 or renew licenses or to revoke, suspend, place on  
14 probation, reprimand, or otherwise discipline a license  
15 under this Article or take other nondisciplinary action.

16 (5) Adopt rules required for the administration of this  
17 Article.

18 Section 15-10. Medical cannabis dispensing organization  
19 exemption. This Article does not apply to medical cannabis  
20 dispensing organizations registered under the Compassionate  
21 Use of Medical Cannabis Pilot Program Act, except for those  
22 issued Early Approval Adult Use Dispensing Organization  
23 Licenses under this Article.

24 Section 15-15. Early Approval Adult Use Dispensing



1 Organization License.

2 (a) Any medical cannabis dispensing organization holding a  
3 valid licenses and registered under the Compassionate Use of  
4 Medical Cannabis Pilot Program Act on the effective date of  
5 this Act may, within 60 days of the effective date of this Act,  
6 apply to the Department of Financial and Professional  
7 Regulation for an Early Approval Adult Use Dispensing  
8 Organization License to serve purchasers at any medical  
9 cannabis dispensing location in operation on the effective date  
10 of this Act, pursuant to this Section.

11 (b) A medical cannabis dispensing organization seeking  
12 issuance of an Early Approval Adult Use Dispensing Organization  
13 License to serve purchasers at any medical cannabis dispensing  
14 location in operation as of the effective date of this Act  
15 shall submit an application on forms provided by the Department  
16 of Financial and Professional Regulation. The application must  
17 be submitted by the same person or entity that holds the  
18 medical cannabis dispensing organization registration and  
19 include the following:

20 (1) Payment of a nonrefundable fee of \$30,000 to be  
21 deposited in the Cannabis Regulation Fund;

22 (2) Proof of registration as a medical cannabis  
23 dispensing organization that is in good standing;

24 (3) Certification that the applicant will comply with  
25 the requirements contained in the Compassionate Use of  
26 Medical Cannabis Pilot Program Act except as provided in

1 this Act;

2 (4) The legal name of the dispensing organization;

3 (5) The physical address of the dispensing  
4 organization;

5 (6) The name, address, social security number, and date  
6 of birth of each principal officer and board member of the  
7 dispensing organization, each of whom must be at least 21  
8 years of age;

9 (7) A nonrefundable Cannabis Business Development Fee  
10 equal to 3% of the dispensing organization's total sales  
11 between July 1, 2018 to July 1, 2019 or \$100,000, whichever  
12 is less, to be deposited in the Cannabis Business  
13 Development Fund; and

14 (8) Identification of one of the following Social  
15 Equity Inclusion Plans to be completed by March 31, 2021:

16 (A) Make a contribution of 3% of total sales from  
17 June 1, 2018, to June 1, 2019, or \$100,000, whichever  
18 is less, to the Cannabis Business Development Fund.  
19 This is in addition to the fee required by item (7) of  
20 subsection (b) of this Section;

21 (B) Make a grant of 3% of total sales from June 1,  
22 2018, to June 1, 2019, or \$100,000, whichever is less,  
23 to a cannabis industry training or education program at  
24 an Illinois community college as defined in the Public  
25 Community College Act;

26 (C) Make a donation of \$100,000 or more to a

1 program that provides job training services to persons  
2 recently incarcerated or that operate in a  
3 Disproportionately Impacted Area; or

4 (D) Participate as a host in a cannabis business  
5 incubator program approved by the Department of  
6 Commerce and Economic Development, and in which an  
7 Early Approval Adult Use Dispensing Organization  
8 License holder agrees to provide a loan of at least  
9 \$100,000 and mentorship to incubate a licensee that  
10 qualifies as a Social Equity Applicant for at least a  
11 year. As used in this Section, "incubate" means  
12 providing direct financial assistance and training  
13 necessary to engage in licensed cannabis industry  
14 activity similar to that of the host licensee. The  
15 Early Approval Adult Use Dispensing Organization  
16 License holder or the same entity holding any other  
17 licenses issued pursuant to this Act shall not take an  
18 ownership stake of greater than 10% in any business  
19 receiving incubation services to comply with this  
20 subsection. If an Early Approval Adult Use Dispensing  
21 Organization License holder fails to find a business to  
22 incubate to comply with this subsection before its  
23 Early Approval Adult Use Dispensing Organization  
24 License expires, it may opt to meet the requirement of  
25 this subsection by completing another item from this  
26 subsection.

1           (c) The license fee required by paragraph (1) of subsection  
2           (b) of this Section shall be in addition to any license fee  
3           required for the renewal of a registered medical cannabis  
4           dispensing organization license.

5           (d) Applicants must submit all required information,  
6           including the requirements in subsection (b) of this Section to  
7           the Department of Financial and Professional Regulation.  
8           Failure by an applicant to submit all required information may  
9           result in the application being disqualified.

10          (e) If the Department of Financial and Professional  
11          Regulation receives an application that fails to provide the  
12          required elements contained in subsection (b), the Department  
13          shall issue a deficiency notice to the applicant. The applicant  
14          shall have 10 calendar days from the date of the deficiency  
15          notice to submit complete information. Applications that are  
16          still incomplete after this opportunity to cure may be  
17          disqualified.

18          (f) If an applicant meets all the requirements of  
19          subsection (b) of this Section, the Department of Financial and  
20          Professional Regulation shall issue the Early Approval Adult  
21          Use Dispensing Organization License within 14 days of receiving  
22          the application unless:

23               (1) The licensee; a principal officer, board member, or  
24               person having a financial or voting interest of 5% or  
25               greater in the licensee; or an agent is delinquent in  
26               filing any required tax returns or paying any amounts owed

1 to the State of Illinois;

2 (2) The Secretary of Financial and Professional  
3 Regulation determines there is reason, based on documented  
4 compliance violations, the licensee is not entitled to an  
5 Early Approval Adult Use Dispensing Organization License;  
6 or

7 (3) Any principal officer fails to register and remain  
8 in compliance with this Act or the Compassionate Use of  
9 Medical Cannabis Pilot Program Act.

10 (g) A registered medical cannabis dispensing organization  
11 that obtains an Early Approval Adult Use Dispensing  
12 Organization License may begin selling cannabis, cannabis  
13 seeds, cannabis-infused products, paraphernalia, and related  
14 items to purchasers under the rules of this Act no sooner than  
15 January 1, 2020.

16 (h) A dispensing organization holding a medical cannabis  
17 dispensing organization license issued under the Compassionate  
18 Use of Medical Cannabis Pilot Program Act must maintain an  
19 adequate supply of cannabis and cannabis-infused products for  
20 purchase by qualifying patients and caregivers. For the  
21 purposes of this subsection, adequate supply means a monthly  
22 inventory level that is comparable in type and quantity to  
23 those medical cannabis products provided to patients and  
24 caregivers on an average monthly basis for the 6 months before  
25 the effective date of this Act.

26 (i) If there is a shortage of cannabis or cannabis-infused

1 products, a dispensing organization holding both a dispensing  
2 organization license under the Compassionate Use of Medical  
3 Cannabis Pilot Program Act and this Act shall prioritize  
4 serving qualifying patients and caregivers before serving  
5 purchasers.

6 (j) Notwithstanding any law or rule to the contrary, a  
7 person that holds a medical cannabis dispensing organization  
8 license issued under the Compassionate Use of Medical Cannabis  
9 Pilot Program Act and an Early Approval Adult Use Dispensing  
10 Organization License may permit purchasers into a limited  
11 access area as that term is defined in administrative rules  
12 made under the authority in the Compassionate Use of Medical  
13 Cannabis Pilot Program Act.

14 (k) An Early Approval Adult Use Dispensing Organization  
15 License is valid until March 31, 2021. A dispensing  
16 organization that obtains an Early Approval Adult Use  
17 Dispensing Organization License shall receive written or  
18 electronic notice 90 days before the expiration of the license  
19 that the license will expire, and inform the license holder  
20 that it may apply for an Adult Use Dispensing Organization  
21 License. The Department of Financial and Professional  
22 Regulation shall grant an Adult Use Dispensing Organization  
23 License within 45 days of an application being deemed complete  
24 if:

25 (1) the dispensing organization submits an application  
26 and the required nonrefundable renewal fee of \$30,000, to

1 be deposited in the Cannabis Regulation Fund; and

2 (2) the Department of Financial and Professional  
3 Regulation has not suspended or revoked the Early Approval  
4 Adult Use Dispensing Organization License or a medical  
5 cannabis dispensing organization license on the same  
6 premises the for violating this Act or rules adopted under  
7 this Act or the Compassionate Use of Medical Cannabis Pilot  
8 Program Act or rules adopted under that Act.

9 (1) The Early Approval Adult Use Dispensing Organization  
10 License renewed pursuant to subsection (p) of this Section  
11 shall expire March 31, 2022. The Early Approval Adult Use  
12 Dispensing Organization Licensee shall receive written or  
13 electronic notice 90 days before the expiration of the license  
14 that the license will expire, and inform the license holder  
15 that it may apply for an Adult Use Dispensing Organization  
16 License. The Department of Financial and Professional  
17 Regulation shall grant an Adult Use Dispensing Organization  
18 License within 45 days of an application being deemed complete  
19 if:

20 (1) the dispensing organization submits a  
21 nonrefundable registration fee of \$60,000; and

22 (2) the Department of Financial and Professional  
23 Regulation has not suspended or revoked the Early Approval  
24 Adult Use Dispensing Organization License or a medical  
25 cannabis dispensing organization license on the same  
26 premises the for violating this Act or rules adopted under

1           this Act or the Compassionate Use of Medical Cannabis Pilot  
2           Program Act or rules adopted under that Act.

3           (m) If a dispensary fails to submit an application for an  
4           Adult Use Dispensing Organization License before the  
5           expiration of the Early Approval Adult Use Dispensing  
6           Organization License, the dispensing organization shall cease  
7           serving purchasers operations until it receives an Adult Use  
8           Dispensing Organization License.

9           (n) A dispensing organization agent who holds a valid  
10          dispensing organization agent identification card issued under  
11          the Compassionate Use of Medical Cannabis Pilot Program Act and  
12          is an officer, director, manager, or employee of the dispensing  
13          organization licensed under this Section may engage in all  
14          activities authorized by this Article to be performed by a  
15          dispensing organization agent.

16          (o) All fees collected pursuant to this Section shall be  
17          deposited into the Cannabis Regulation Fund, unless otherwise  
18          specified.

19          Section 15-20. Early Approval Adult Use Dispensing  
20          Organization License; secondary site.

21          (a) Any medical cannabis dispensing organization holding a  
22          valid licenses and registered under the Compassionate Use of  
23          Medical Cannabis Pilot Program Act on the effective date of  
24          this Act may, within 60 days of the effective date of this Act,  
25          apply to the Department of Financial and Professional



1 Regulation for an Early Approval Adult Use Dispensing  
2 Organization License to operate a dispensing organization to  
3 serve purchasers at a secondary site not within 1,500 feet of  
4 another medical cannabis dispensing organization or adult use  
5 dispensing organization and within any BLS Region that shares  
6 territory with the dispensing organization district to which  
7 the medical cannabis dispensing organization is assigned under  
8 the administrative rules for dispensing organizations under  
9 the Compassionate Use of Medical Cannabis Pilot Program Act.

10 (b) A medical cannabis dispensing organization seeking  
11 issuance of an Early Approval Adult Use Dispensing Organization  
12 License to serve purchasers at a secondary site as proscribed  
13 in subsection (a) of this Section shall submit an application  
14 on forms provided by the Department of Financial and  
15 Professional Regulation. The application must meet the  
16 following qualifications:

17 (1) include a payment of a nonrefundable permit fee of  
18 \$30,000;

19 (2) proof of registration as a medical cannabis  
20 dispensing organization that is in good standing;

21 (3) submission of the application by the same person or  
22 entity that holds the medical cannabis dispensing  
23 organization registration;

24 (4) certification that the applicant will comply with  
25 the requirements contained in the Compassionate Use of  
26 Pilot Program Act except as provided in this Act;

1           (5) include the legal name of the medical cannabis  
2 dispensing organization;

3           (6) include the physical address of the medical  
4 cannabis dispensing organization and the proposed physical  
5 address of the secondary site;

6           (7) a copy of the current local zoning ordinance  
7 Sections relevant to dispensary operations. Documentation  
8 of the approval, the conditional approval or the status of  
9 a request for zoning approval from the local zoning office  
10 that the proposed dispensary location is in compliance with  
11 the local zoning rules;

12           (8) a plot plan of the dispensary drawn to scale. The  
13 applicant shall submit general specifications of the  
14 building exterior and interior layout;

15           (9) a statement that the dispensing organization  
16 agrees to respond to the Division's supplemental requests  
17 for information;

18           (10) for the building or land to be used as the  
19 proposed dispensary:

20               (A) if the property is not owned by the applicant,  
21 a written statement from the property owner and  
22 landlord, if any, certifying consent that the  
23 applicant may operate a dispensary on the premises; or

24               (B) if the property is owned by the applicant,  
25 confirmation of ownership;

26           (11) a copy of the proposed operating bylaws;

1           (12) a copy of the proposed business plan that complies  
2 with the requirements in this Act, including, at a minimum,  
3 the following:

4                 (A) a description of services to be offered; and

5                 (B) a description of the process of dispensing  
6 cannabis;

7           (13) a copy of the proposed security plan that complies  
8 with the requirements in this Article, including:

9                 (A) a description of the delivery process by which  
10 cannabis will be received from a transporting  
11 organization, including receipt of manifests and  
12 protocols that will be used to avoid diversion, theft  
13 or loss at the dispensary acceptance point; and

14                (B) the process or controls that will be  
15 implemented to monitor the dispensary, secure the  
16 premises, agents, patients and currency, and prevent  
17 the diversion, theft or loss of cannabis; and

18                (C) the process to ensure that access to the  
19 restricted access areas is restricted to, registered  
20 agents, service professionals, transporting  
21 organization agents, Department inspectors, and  
22 security personnel;

23           (14) a proposed inventory control plan that complies  
24 with this Section;

25           (15) the name, address, social security number, and  
26 date of birth of each principal officer and board member of

1 the dispensing organization; each of those individuals  
2 shall be at least 21 years of age;

3 (16) a nonrefundable Cannabis Business Development Fee  
4 equal to \$200,000, to be deposited into the Cannabis  
5 Business Development Fund; and

6 (17) commit to completing one of the following Social  
7 Equity Inclusion Plans in subsection (c).

8 (c) To receive an Early Approval Adult Use Dispensing  
9 Organization License, a dispensing organization shall (among  
10 other things) indicate the Social Equity Inclusion Plan that  
11 the applicant plans to achieve before the expiration of the  
12 Early Approval Adult Use Dispensing Organization License from  
13 the list below:

14 (1) make a contribution of 3% of total sales from June  
15 1, 2018, to June 1, 2019, or \$100,000, whichever is less,  
16 to the Cannabis Business Development Fund. This is in  
17 addition to the fee required by paragraph (16) of  
18 subsection (b) of this Section;

19 (2) make a grant of 3% of total sales from June 1,  
20 2018, to June 1, 2019, or \$100,000, whichever is less, to a  
21 cannabis industry training or education program at an  
22 Illinois community college as defined in the Public  
23 Community College Act;

24 (3) make a donation of \$100,000 or more to a program  
25 that provides job training services to persons recently  
26 incarcerated or that operate in a Disproportionately

1       Impacted Area; or

2           (4) participate as a host in a cannabis business  
3       incubator program approved by the Department of Commerce  
4       and Economic Development, and in which an Early Approval  
5       Adult Use Dispensing Organization License holder agrees to  
6       provide a loan of at least \$100,000 and mentorship to  
7       incubate a licensee that qualifies as a Social Equity  
8       Applicant for at least a year. In this paragraph (4),  
9       "incubate" means providing direct financial assistance and  
10      training necessary to engage in licensed cannabis industry  
11      activity similar to that of the host licensee. The Early  
12      Approval Adult Use Dispensing Organization License holder  
13      or the same entity holding any other licenses issued under  
14      this Act shall not take an ownership stake of greater than  
15      10% in any business receiving incubation services to comply  
16      with this subsection. If an Early Approval Adult Use  
17      Dispensing Organization License holder fails to find a  
18      business to incubate to comply with this subsection before  
19      its Early Approval Adult Use Dispensing Organization  
20      License expires, it may opt to meet the requirement of this  
21      subsection by completing another item from this subsection  
22      before the expiration of its Early Approval Adult Use  
23      Dispensing Organization License to avoid a penalty.

24      (d) An Early Approval Adult Use Dispensing Organization  
25      License is valid until March 1, 2021. A dispensing organization  
26      that obtains an Early Approval Adult Use Dispensing

1 Organization License shall receive written or electronic  
2 notice 90 days before the expiration of the license that the  
3 license will expire, and inform the license holder that it may  
4 apply for an Adult Use Dispensing Organization License. The  
5 Department of Financial and Professional Regulation shall  
6 grant an Adult Use Dispensing Organization License within 45  
7 days of submission of an application if:

8 (1) the dispensing organization submits an application  
9 and the required nonrefundable fee of \$30,000 for an Adult  
10 Use Dispensing Organization License;

11 (2) the Department of Financial and Professional  
12 Regulation has not suspended the license of the dispensing  
13 organization or suspended or revoked the license for  
14 violating this Act or rules adopted under this Act; and

15 (3) the dispensing organization has completed a Social  
16 Equity Inclusion Plan as required by paragraph (17) of  
17 subsection (b) of this Section.

18 (e) The license fee required by paragraph (1) of subsection  
19 (b) of this Section is in addition to any license fee required  
20 for the renewal of a registered medical cannabis dispensing  
21 organization license.

22 (f) Applicants must submit all required information,  
23 including the requirements in subsection (b) of this Section to  
24 the Department of Financial and Professional Regulation.  
25 Failure by an applicant to submit all required information may  
26 result in the application being disqualified.

1           (g) If the Department of Financial and Professional  
2 Regulation receives an application that fails to provide the  
3 required elements contained in subsection (b), the Department  
4 shall issue a deficiency notice to the applicant. The applicant  
5 shall have 10 calendar days from the date of the deficiency  
6 notice to submit complete information. Applications that are  
7 still incomplete after this opportunity to cure may be  
8 disqualified.

9           (h) Once all required information and documents have been  
10 submitted, the Division will review the application. The  
11 Division may request revisions and retains final approval over  
12 dispensary features. Once the application is complete and meets  
13 the Department's approval, the Department shall conditionally  
14 approve the license. Final approval is contingent on the  
15 build-out and Department inspection.

16           (i) Upon completion of the dispensary, the dispensing  
17 organization shall request an inspection. The Department will  
18 inspect the dispensary to confirm compliance with the  
19 application, the Act and this Article.

20           (j) A license shall be issued only after the completion of  
21 a successful inspection.

22           (k) If an applicant passes the inspection under this  
23 Section, the Department of Financial and Professional  
24 Regulation shall issue the Early Approval Adult Use Dispensing  
25 Organization License within one business day unless:

26           (1) The licensee; principal officer, board member, or

1 person having a financial or voting interest of 5% or  
2 greater in the licensee; or agent is delinquent in filing  
3 any required tax returns or paying any amounts owed to the  
4 State of Illinois; or

5 (2) The Secretary of Financial and Professional  
6 Regulation determines there is reason, based on documented  
7 compliance violations, the licensee is not entitled to an  
8 Early Approval Adult Use Dispensing Organization License  
9 at its secondary site.

10 (1) Once the Department has issued a registration, the  
11 dispensary organization shall notify the Department of the  
12 proposed opening date.

13 (m) A registered medical cannabis dispensing organization  
14 that obtains an Early Approval Adult Use Dispensing  
15 Organization License may begin selling cannabis, cannabis  
16 seeds, cannabis-infused products, paraphernalia, and related  
17 items to purchasers under the rules of this Act no sooner than  
18 January 1, 2020.

19 (n) A dispensing organization holding a medical cannabis  
20 dispensing organization license issued under the Compassionate  
21 Use of Medical Cannabis Pilot Program Act must maintain an  
22 adequate supply of cannabis and cannabis-infused products for  
23 purchase by qualifying patients and caregivers. For the  
24 purposes of this subsection, adequate supply means a monthly  
25 inventory level that is comparable in type and quantity to  
26 those medical cannabis products provided to patients and



1 caregivers on an average monthly basis for the 6 months before  
2 the effective date of this Act.

3 (o) If there is a shortage of cannabis or cannabis-infused  
4 products, a dispensing organization holding both a dispensing  
5 organization license under the Compassionate Use of Medical  
6 Cannabis Pilot Program Act and this Act shall prioritize  
7 serving qualifying patients and caregivers before serving  
8 purchasers.

9 (p) An Early Approval Adult Use Dispensing Organization  
10 License at a secondary site is valid until March 31, 2021. A  
11 dispensing organization that obtains an Early Approval Adult  
12 Use Dispensing Organization License shall receive written or  
13 electronic notice 90 days before the expiration of the license  
14 that the license will expire, and inform the license holder  
15 that it may apply for an Adult Use Dispensing Organization  
16 License. The Department of Financial and Professional  
17 Regulation shall grant an Adult Use Dispensing Organization  
18 License within 45 days of submission of an application being  
19 deemed complete if:

20 (1) the dispensing organization submits an application  
21 and the required nonrefundable renewal fee of \$30,000, to  
22 be deposited into the Cannabis Regulation Fund; and

23 (2) the Department of Financial and Professional  
24 Regulation has not suspended or revoked the Early Approval  
25 Adult Use Dispensing Organization License or a medical  
26 cannabis dispensing organization license on the same

1 premises for violating this Act or rules adopted under this  
2 Act or the Compassionate Use of Medical Cannabis Pilot  
3 Program Act or rules adopted under that Act.

4 (q) The Early Approval Adult Use Dispensing Organization  
5 License renewed pursuant to subsection (k) of this Section  
6 shall expire March 31, 2022. The Early Approval Adult Use  
7 Dispensing Organization Licensee shall receive written or  
8 electronic notice 90 days before the expiration of the license  
9 that the license will expire, and inform the license holder  
10 that it may apply for an Adult Use Dispensing Organization  
11 License. The Department of Financial and Professional  
12 Regulation shall grant an Adult Use Dispensing Organization  
13 License within 45 days of an application being deemed complete  
14 if:

15 (1) the dispensing organization submits a  
16 nonrefundable registration fee of \$60,000; and

17 (2) the Department of Financial and Professional  
18 Regulation has not suspended or revoked the Early Approval  
19 Adult Use Dispensing Organization License or a medical  
20 cannabis dispensing organization license on the same  
21 premises the for violating this Act or rules adopted under  
22 this Act or the Compassionate Use of Medical Cannabis Pilot  
23 Program Act or rules adopted under that Act.

24 (r) If a dispensary fails to submit an application for an  
25 Adult Use Dispensing Organization License before the  
26 expiration of the Early Approval Adult Use Dispensing

1 Organization License, the dispensing organization shall cease  
2 serving purchasers operations until it receives an Adult Use  
3 Dispensing Organization License.

4 (s) A dispensing organization agent who holds a valid  
5 dispensing organization agent identification card issued under  
6 the Compassionate Use of Medical Cannabis Pilot Program Act and  
7 is an officer, director, manager, or employee of the dispensing  
8 organization licensed under this Section may engage in all  
9 activities authorized by this Article to be performed by a  
10 dispensing organization agent.

11 (t) If the Department of Financial and Professional  
12 Regulation suspends or revokes the Early Approval Adult Use  
13 Dispensing Organization License of a dispensing organization  
14 under Act that also holds a medical cannabis dispensing  
15 organization license issued under the Compassionate Use of  
16 Medical Cannabis Pilot Program Act, the Department shall  
17 suspend or revoke the medical cannabis dispensing organization  
18 license concurrently with the Early Approval Adult Use  
19 Dispensing Organization License.

20 (u) All fees or fines collected from an Early Approval  
21 Adult Use Dispensary Organization License holder as a result of  
22 a disciplinary action in the enforcement of this Act shall be  
23 deposited into the Cannabis Regulation Fund and be appropriated  
24 to the Department of Financial and Professional Regulation for  
25 the ordinary and contingent expenses of the Department in the  
26 administration and enforcement of this Section.

1           Section 15-25. Awarding of Conditional Adult Use  
2   Dispensing Organization Licenses.

3           (a) The Department of Financial and Professional  
4   Regulation shall issue up to 75 Conditional Adult Use  
5   Dispensing Organization Licenses before May 1, 2020.

6           (b) The Department of Financial and Professional  
7   Regulation shall make the application for a Conditional Adult  
8   Use Dispensing Organization License available no later than  
9   October 1, 2019 and shall receive them back no later than  
10   January 1, 2020.

11          (c) To ensure the geographic dispersion of Conditional  
12   Adult Use Dispensing Organization License holders, the  
13   following number of licenses shall be awarded in each BLS  
14   Region as determined by each region's percentage of the State's  
15   population:

- 16           (1) Bloomington: 1  
17           (2) Cape Girardeau: 1  
18           (3) Carbondale-Marion: 1  
19           (4) Champaign-Urbana: 1  
20           (5) Chicago-Naperville-Elgin: 47  
21           (6) Danville: 1  
22           (7) Davenport-Moline-Rock Island: 1  
23           (8) Decatur: 1  
24           (9) Kankakee: 1  
25           (10) Peoria: 3

(11) Rockford: 2

(12) St. Louis: 4

(13) Springfield: 1

(14) Northwest Illinois nonmetropolitan: 3

(15) West Central Illinois nonmetropolitan: 3

(16) East Central Illinois nonmetropolitan: 2

(17) South Illinois nonmetropolitan: 2

(d) An applicant seeking issuance of a Conditional Adult Use Dispensing Organization License shall submit an application on forms provided by the Department of Financial and Professional Regulation. An applicant must meet the following requirements:

(1) Payment of a nonrefundable application fee of \$5,000 for each license for which the applicant is applying, which shall be deposited into the Cannabis Regulation Fund;

(2) Certification that the applicant will comply with the requirements contained in this Act;

(3) The legal name of the proposed dispensing organization;

(4) A statement that the dispensing organization agrees to respond to the Department's supplemental requests for information;

(5) From each principal officer, a statement indicating whether that person:

(A) has previously held or currently holds an

1 ownership interest in a cannabis business  
2 establishment in Illinois; or

3 (B) has held an ownership interest in a dispensing  
4 organization or its equivalent in another state or  
5 territory of the United States that had the dispensary  
6 registration or license suspended, revoked, placed on  
7 probationary status, or subjected to other  
8 disciplinary action;

9 (6) Disclosure of whether any principal officer has  
10 ever filed for bankruptcy or defaulted on alimony or child  
11 support obligation;

12 (7) A resume for each principal officer, including  
13 whether that person has an academic degree, certification,  
14 or relevant experience with a cannabis business or in a  
15 related industry;

16 (8) A description of the training and education that  
17 will be provided to dispensary agents;

18 (9) A copy of the proposed operating bylaws;

19 (10) A copy of the proposed business plan that complies  
20 with the requirements in this Act, including, at a minimum,  
21 the following:

22 (A) A description of services to be offered; and

23 (B) A description of the process of dispensing  
24 cannabis;

25 (11) A copy of the proposed security plan that complies  
26 with the requirements in this Article, including:

1           (A) The process or controls that will be  
2           implemented to monitor the dispensary, secure the  
3           premises, agents, patients, and currency, and prevent  
4           the diversion, theft, or loss of cannabis; and

5           (B) The process to ensure that access to the  
6           restricted access areas is restricted to, registered  
7           agents, service professionals, transporting  
8           organization agents, Department inspectors, and  
9           security personnel;

10          (12) A proposed inventory control plan that complies  
11          with this Section;

12          (13) A proposed floor plan, square footage estimate,  
13          and a description of proposed security devices, including  
14          without limitation cameras, motion detectors, servers,  
15          video storage capabilities, and alarm service providers;

16          (14) The name, address, social security number, and  
17          date of birth of each principal officer and board member of  
18          the dispensing organization; each of those individuals  
19          shall be at least 21 years of age;

20          (15) Evidence of the applicant's status as a Social  
21          Equity Applicant, if applicable;

22          (16) The address, telephone number and e-mail address  
23          of the applicant's principal place of business, if  
24          applicable. A post office box is not permitted;

25          (17) Information, in writing, regarding any instances  
26          in which a business or not-for-profit that any of the

1 prospective board members managed or served on the board  
2 was convicted, fined, or censured for any offense, or had a  
3 registration suspended or revoked in any administrative or  
4 judicial proceeding;

5 (18) A plan for community engagement;

6 (19) Procedures to ensure accurate recordkeeping and  
7 security measures that are in accordance with this Article  
8 and Department of Financial and Professional Regulation  
9 rules;

10 (20) The estimated volume of cannabis it plans to store  
11 at the dispensary;

12 (21) A description of the features that will provide  
13 accessibility to consumers as required by the Americans  
14 with Disabilities Act;

15 (22) A detailed description of air treatment systems  
16 that will be installed to reduce odors;

17 (23) A reasonable assurance that the issuance of a  
18 license will not have a detrimental impact on the community  
19 in which the applicant wishes to locate;

20 (24) A proposed financial plan that demonstrates how  
21 the applicant:

22 (A) has access to \$100,000 in liquid assets;

23 (B) has a loan, line of credit, or other form of  
24 financing in an amount of \$100,000 or greater that is  
25 guaranteed or that is guaranteed contingent upon the  
26 award of the license for which the application is being



1 submitted; or

2 (C) if the applicant qualifies as a Social Equity  
3 Applicant, has applied to the Department of Commerce  
4 and Economic Opportunity for a loan or grant issued  
5 from the Cannabis Business Development Fund;

6 (25) The dated signature of each principal officer;

7 (26) A description of the enclosed, locked facility  
8 where cannabis will be stored by the dispensing  
9 organization;

10 (27) Signed statements from each dispensing  
11 organization agent stating that he or she will not divert  
12 cannabis;

13 (28) How many licenses it is applying for in each BLS  
14 Region;

15 (29) A diversity plan which includes a narrative that  
16 establishes a goal of diversity in ownership, management,  
17 employment, and contracting to ensure that diverse  
18 participants and groups are afforded equality of  
19 opportunity; and

20 (30) Other information deemed necessary by the  
21 Illinois Cannabis Regulation Oversight Officer to conduct  
22 the disparity and availability study referenced in  
23 subsection (e) of Section 5-45.

24 (e) An applicant who receives a Conditional Adult Use  
25 Dispensing Organization License under this Section has 180 days  
26 from the date of award to identify a physical location for the

1 dispensing organization retail storefront. Before receiving an  
2 authorization to build out the dispensing organization from the  
3 Department of Financial and Professional Regulation, the  
4 Department of Financial and Professional Regulation shall  
5 inspect the physical space selected by a conditional licensee.  
6 The Department of Financial and Professional Regulation shall  
7 verify the site is suitable for public access, the layout  
8 promotes the safe dispensing of cannabis, the location is  
9 sufficient in size, power allocation, lighting, parking,  
10 handicapped accessible parking spaces, accessible entry and  
11 exits as required by the Americans with Disabilities Act,  
12 product handling, and storage. The applicant shall also provide  
13 a statement of reasonable assurance that the issuance of a  
14 license will not have a detrimental impact on the community.  
15 The applicant shall also provide evidence the location is not  
16 within 1,500 feet of an existing dispensing organization. If an  
17 applicant is unable to find a suitable physical address in the  
18 opinion of the Department of Financial and Professional  
19 Regulation within 180 days of the issuance of the Conditional  
20 Adult Use Dispensing Organization License, the Department of  
21 Financial and Professional Regulation may extend the period for  
22 finding a physical address another 180 days provided the  
23 conditional dispensing organization license holder can  
24 demonstrate concrete attempts to secure a location and a  
25 hardship. If the Department of Financial and Professional  
26 Regulation denies the extension or the conditional dispensing

1 organization license holder is unable to find a location or  
2 become operational within 360 days of being awarded a  
3 conditional license, the Department of Financial and  
4 Professional Regulation shall rescind the conditional license  
5 and award it to the next highest scoring applicant in the BLS  
6 Region for which the license was assigned, provided the  
7 applicant receiving the license: (i) confirms a continued  
8 interest in operating a dispensing organizations; (ii) can  
9 provide evidence that the applicant continues to meet the  
10 financial requirements provided in subsection (c) of this  
11 Section; and (iii) has not otherwise become ineligible to be  
12 awarded a dispensing organization license. If the new awardee  
13 is unable to accept the Conditional Adult Use Dispensing  
14 Organization License, the Department of Financial and  
15 Professional Regulation shall award the Conditional Adult Use  
16 Dispensing Organization License to the next highest scoring  
17 applicant in the same manner. The new awardee shall be subject  
18 to the same required deadlines as provided in this subsection.

19 (f) A dispensing organization that is awarded a Conditional  
20 Adult Use Dispensing Organization License pursuant to the  
21 criteria in Section 15-30 shall not purchase, possess, sell, or  
22 dispense cannabis or cannabis-infused products until the  
23 person has received an Adult Use Dispensing Organization  
24 License Issued by the Department of Financial and Professional  
25 Regulation. The Department of Financial and Professional  
26 Regulation shall not issue an Adult Use Dispensing Organization

1 License until:

2 (1) the Department of Financial and Professional  
3 Regulation has inspected the dispensary site and proposed  
4 operations and verified that they are in compliance with  
5 this Act and local zoning laws; and

6 (2) the Conditional Adult Use Dispensing Organization  
7 License holder has paid a registration fee of \$60,000, or a  
8 pro-rated amount accounting for the difference of time  
9 between when the Adult Use Dispensing Organization License  
10 is issued and March 31 of the next even-numbered year.

11 (g) The Department of Financial and Professional  
12 Regulation shall conduct a background check of the prospective  
13 organization agents in order to carry out this Article. The  
14 Department of State Police shall charge the applicant a fee for  
15 conducting the criminal history record check, which shall be  
16 deposited into the State Police Services Fund and shall not  
17 exceed the actual cost of the record check. Each person  
18 applying as a dispensing organization agent shall submit a full  
19 set of fingerprints to the Department of State Police for the  
20 purpose of obtaining a State and federal criminal records  
21 check. These fingerprints shall be checked against the  
22 fingerprint records now and hereafter, to the extent allowed by  
23 law, filed in the Department of State Police and Federal Bureau  
24 of Identification criminal history records databases. The  
25 Department of State Police shall furnish, following positive  
26 identification, all Illinois conviction information to the

1 Department of Financial and Professional Regulation.

2 Section 15-30. Selection criteria for conditional licenses  
3 awarded under Section 15-25.

4 (a) Applicants must submit all required information,  
5 including that required in Section 15-25 to the Department of  
6 Financial and Professional Regulation. Failure by an applicant  
7 to submit all required information may result in the  
8 application being disqualified.

9 (b) If the Department of Financial and Professional  
10 Regulation receives an application that fails to provide the  
11 required elements contained in Section 15-30, the Department of  
12 Financial and Professional Regulation shall issue a deficiency  
13 notice to the applicant. The applicant shall have 10 calendar  
14 days from the date of the deficiency notice to resubmit the  
15 incomplete information. Applications that are still incomplete  
16 after this opportunity to cure, will not be scored and will be  
17 disqualified.

18 (c) Applications will not be scored if the applicant fails  
19 to provide, or is unable to cure a deficiency in the time  
20 provided in subsection (b), evidence that the applicant:

21 (1) has access to \$100,000 in liquid assets;

22 (2) has a loan, line of credit, or other form of  
23 financing in an amount of \$100,000 or greater that is  
24 guaranteed or that is guaranteed contingent upon the award  
25 of the license for which the application is being

1 submitted; or

2 (3) if the applicant qualifies as a Social Equity  
3 Applicant, has applied to the Department of Commerce and  
4 Economic Opportunity for a loan or grant issued from the  
5 Cannabis Business Development Fund.

6 (d) The Department will award up to 200 points to complete  
7 applications based on the sufficiency of the applicant's  
8 responses to required information. Applicants will be awarded  
9 points based on a determination that the application  
10 satisfactorily includes the following elements:

11 (1) Suitability of the Proposed Dispensary Floor Plan  
12 (10 points)

13 The proposed floor plan is suitable for public  
14 access, the layout promotes safe dispensing of  
15 cannabis, is compliant with the Americans with  
16 Disabilities Act and the Illinois Environmental  
17 Barriers Act, and facilitates safe product handling  
18 and storage.

19 (2) Suitability of Employee Training Plan (10 points)

20 The plan includes an employee training plan that  
21 demonstrates that employees will understand the rules  
22 and laws to be followed by dispensary employees, have  
23 knowledge of any security measures and operating  
24 procedures of the dispensary, and are able to advise  
25 purchasers on how to safely consume cannabis and use  
26 individual products offered by the dispensary.

1           (3) Security and Recordkeeping (60 points)

2           (A) The security plan accounts for the prevention  
3 of the theft or diversion of cannabis. The security  
4 plan demonstrates safety procedures for dispensary  
5 agents and consumers, and safe delivery and storage of  
6 cannabis and currency. It demonstrates compliance with  
7 all security requirements in this Act and rules.

8           (B) A plan for recordkeeping, tracking and  
9 monitoring inventory, quality control and other  
10 policies and procedures that will promote standard  
11 recordkeeping and discourage unlawful activity. This  
12 plan includes the applicant's strategy to communicate  
13 with the Department of Financial and Professional  
14 Regulation and the Department of State Police on the  
15 destruction and disposal of cannabis. The plan must  
16 also demonstrate compliance with this Act and rules.

17           (4) Applicant's Business Plan, Financials, and  
18 Operating Plan (65 points)

19           (A) The business plan shall describe, at a minimum,  
20 how the dispensing organization will be managed on a  
21 long-term basis. This shall include a description of  
22 the dispensing organization's point-of-sale system,  
23 purchases and denials of sale, confidentiality, and  
24 products and services to be offered. It will  
25 demonstrate compliance with this Act and rules.

26           (B) The operating plan shall include, at a minimum,

1 best practices for day-to-day dispensary operation and  
2 staffing.

3 (5) Knowledge and Experience (30 points).

4 (A) The applicant's principal officers must  
5 demonstrate experience and qualifications in business  
6 management or experience with the cannabis industry.  
7 This includes ensuring optimal safety and accuracy in  
8 the dispensing and sale of cannabis.

9 (B) The applicant's principal officers must  
10 demonstrate knowledge of various cannabis product  
11 strains or varieties and describe the types and  
12 quantities of products planned to be sold. This  
13 includes confirmation of whether the dispensary plans  
14 to sell cannabis paraphernalia or edibles.

15 (C) Knowledge and experience may be demonstrated  
16 through experience in other comparable industries that  
17 reflect on applicant's ability to operate a cannabis  
18 business establishment.

19 (6) Status as a Social Equity Applicant (25 points).

20 The applicant meets the qualifications for a  
21 Social Equity Applicant as set forth in this Act.

22 (d) The Department may also award up to 12 bonus points for  
23 preferred, but not required, initiatives based on the  
24 applicant's ability to meet requirements in the following  
25 categories. Bonus points will only be awarded if the Department  
26 receives a greater number of applications that meet the minimum



1 number of points required in subsection (c) than are available  
2 for a particular region.

3 (1) Labor and employment practices (2): The applicant  
4 may describe plans to provide a safe, healthy and  
5 economically beneficial working environment for its  
6 agents, including, but not limited to, codes of conduct,  
7 healthcare benefits, educational benefits, retirement  
8 benefits, living wage standards, and entering a labor peace  
9 agreement with employees.

10 (2) Labor peace agreement (2): The applicant may  
11 provide information on the existence of a labor peace  
12 agreement.

13 (3) Local community/neighborhood report (2): The  
14 applicant may provide comments, concerns or support  
15 received regarding the potential impact of the proposed  
16 location on the local community and neighborhood in which  
17 the applicant plans to locate.

18 (4) Environmental Plan (2): The applicant may  
19 demonstrate an environmental plan of action to minimize the  
20 carbon footprint, environmental impact, and resource needs  
21 for the dispensary, which may include, without imitation,  
22 recycling cannabis product packaging.

23 (5) Illinois owner (2): The applicant is 51% or more  
24 owned and controlled by an Illinois resident, who can prove  
25 residency in each of the past 5 years with tax records.

26 (6) A plan to engage with the community (2):

1           The applicant may demonstrate a desire to help its  
2           community by, among other actions,

3                   (A) Establishment of an incubator program  
4                   designed to increase participation in the  
5                   cannabis industry by persons who would qualify  
6                   as Social Equity Applicants;

7                   (B) providing financial assistance to  
8                   substance abuse treatment centers;

9                   (C) educating children and teens about the  
10                  potential harms of cannabis use; or

11                  (D) other measures demonstrating a  
12                  commitment to the applicant's community.

13           (e) The Department may verify information contained in each  
14           application and accompanying documentation to assess the  
15           applicant's veracity and fitness to operate a dispensary.

16           (f) The Department may, in its discretion, refuse to issue  
17           an authorization to any applicant:

18                   (1) Who is unqualified to perform the duties required  
19                   of the applicant;

20                   (2) Who fails to disclose or states falsely any  
21                   information called for in the application;

22                   (3) Who has been found guilty of a violation of the  
23                   Act, or whose medical cannabis dispensing organization,  
24                   cannabis dispensing organization, or Adult Use Cultivation  
25                   Center License was suspended, restricted, revoked or  
26                   denied for just cause in any other state; or

1           (4) Who has engaged in a pattern or practice of unfair  
2           or illegal practices, methods, or activities in the conduct  
3           of owning a cannabis business establishment or other  
4           business.

5           (g) The Department of Professional and Financial  
6           Regulation shall deny the license if the licensee, principal  
7           officer, board member, or person having a financial or voting  
8           interest of 5% or greater in the licensee is delinquent in  
9           filing any required tax returns or paying any amounts owed to  
10          the state of Illinois.

11          (h) The Department of Financial and Professional  
12          Regulation shall verify an applicant's compliance with the  
13          requirements of this Article and rules, and before the issuance  
14          of a dispensing organization license.

15          (i) Should the applicant be awarded a license, the  
16          information and plans provided in the application, including  
17          any plans submitted for bonus points, shall become a condition  
18          of the authorization. Dispensing organizations have a duty to  
19          disclose any material changes to the application. The  
20          Department of Financial and Professional Regulation shall  
21          review all material changes disclosed by the dispensing  
22          organization, and may re-evaluate its prior decision regarding  
23          the awarding of a license, including, but not limited to,  
24          suspending or revoking a license. Failure to comply with the  
25          conditions or requirements in the application may subject the  
26          dispensing organization to discipline, up to and including

1 suspension or revocation of its authorization or license by the  
2 Department of Financial and Professional Regulation.

3 (j) If an applicant has not begun operating as a dispensing  
4 organization within one year of the issuance of the conditional  
5 dispensing organization license, the Department of Financial  
6 and Professional Regulation may revoke the conditional  
7 dispensing organization license and award it to the next  
8 highest scoring applicant in the BLS region if a suitable  
9 applicant indicates a continued interest in the license or  
10 begin a new selection process to award a conditional dispensing  
11 organization license.

12 (k) The Department shall deny an application if granting  
13 that application would result in a single person or entity  
14 having a direct or indirect financial interest in more than 10  
15 Early Approval Adult Use Dispensing Organization Licenses,  
16 Conditional Adult Use Dispensing Organization Licenses, or  
17 Adult Use Dispensing Organization Licenses. Any entity that is  
18 awarded a license that results in a single person or entity  
19 having a direct or indirect financial interest in more than 10  
20 licenses shall forfeit the most recently issued license and  
21 suffer a penalty to be determined by the Department, unless the  
22 entity declines the license at the time it is awarded.

23 Section 15-35. Adult Use Dispensing Organization License.

24 (a) By December 21, 2021, the Department of Financial and  
25 Professional Regulation may issue up to 110 additional Adult

1 Use Dispensing Organization Licenses. Prior to issuing such  
2 licenses, the Department may adopt rules through emergency  
3 rulemaking in accordance with subsection (gg) of Section 5-45  
4 of the Illinois Administrative Procedure Act. The General  
5 Assembly finds that the adoption of rules to regulate cannabis  
6 use is deemed an emergency and necessary for the public  
7 interest, safety and welfare. Such rules may:

8 (1) Modify or change the BLS Regions as they apply to  
9 this Article or modify or raise the number of Adult Use  
10 Dispensing Organization Licenses assigned to each region  
11 based on the following factors:

12 (A) Purchaser wait times;

13 (B) Travel time to the nearest dispensary for  
14 potential purchasers;

15 (C) Percentage of cannabis sales occurring in  
16 Illinois not in the regulated market using data from  
17 the Substance Abuse and Mental Health Services  
18 Administration, National Survey on Drug Use and  
19 Health, Illinois Behavioral Risk Factor Surveillance  
20 System, and tourism data from the Illinois Office of  
21 Tourism to ascertain total cannabis consumption in  
22 Illinois compared to the amount of sales in licensed  
23 dispensing organizations;

24 (D) Whether there is an adequate supply of cannabis  
25 and cannabis-infused products to serve registered  
26 medical cannabis patients;

1 (E) Population increases or shifts;

2 (F) Density of dispensing organizations in a  
3 region;

4 (G) The Department's capacity to appropriately  
5 regulate additional licenses;

6 (H) The findings and recommendations from the  
7 disparity and availability study commissioned by the  
8 Illinois Cannabis Regulation Oversight Officer in  
9 subsection (e) of Section 5-45 to reduce or eliminate  
10 any identified barriers to entry in the cannabis  
11 industry; and

12 (I) Any other criteria the Department of Financial  
13 and Professional Regulation deems relevant.

14 (2) Modify or change the licensing application process  
15 to reduce or eliminate the barriers identified in the  
16 disparity and availability study commission by the  
17 Illinois Cannabis Regulation Oversight Officer and make  
18 modifications to remedy evidence of discrimination.

19 (b) After January 1, 2022, the Department of Financial and  
20 Professional Regulation may by modify or raise the number of  
21 Adult Use Dispensing Organization Licenses assigned to each  
22 region, and modify or change the licensing application process  
23 to reduce or eliminate barriers based on the criteria in  
24 subsection (a). At no time shall the Department of Financial  
25 and Professional Regulation issue more than 500 Adult Use  
26 Dispensary Organization Licenses.

1 (c) No person or entity shall hold any legal, equitable,  
2 ownership, or beneficial interest, directly or indirectly, of  
3 more than 10 dispensing organizations licensed under this  
4 Article. Further, no person or entity that is:

5 (1) employed by, an agent of, has a contract to receive  
6 payment in any form from a dispensing organization,  
7 registered medical cannabis dispensing organization;

8 (2) a principal officer of a dispensing organization or  
9 registered medical cannabis dispensing organization; or

10 (3) an entity controlled by or affiliated with a  
11 principal officer of a dispensing organization or  
12 registered medical cannabis dispensing organization;

13 shall hold any legal, equitable, ownership, or beneficial  
14 interest, directly or indirectly, in a dispensing organization  
15 that would result in such person or entity owning, acting as an  
16 agent of, or having a contract to receive payment from, more  
17 than 10 dispensing organizations.

18 (d) The Department shall deny an application if granting  
19 that application would result in a person or entity obtaining  
20 direct or indirect financial interest in more than 10 Early  
21 Approval Adult Use Dispensing Organization Licenses,  
22 Conditional Adult Use Dispensing Organization Licenses, or  
23 Adult Use Dispensing Organization Licenses. If a person or  
24 entity does obtain such an interest, he, she, or it shall  
25 choose which licenses from which to withdraw and such licenses  
26 shall become available to the next qualified applicant.

1 (e) Applicants for a dispensing organization license shall  
2 meet the minimum qualifications as established by this Section  
3 and be subject to the selection criteria as set forth in this  
4 Article and rules before the Department issues a dispensing  
5 organization license.

6 (f) A dispensing organization that is awarded a Conditional  
7 Adult Use Dispensing Organization License pursuant to the  
8 criteria established pursuant to rules made under Section 15-35  
9 shall not purchase, possess, sell, or dispense cannabis or  
10 cannabis-infused products until the person has received an  
11 Adult Use Dispensing Organization License issued by the  
12 Department of Financial and Professional Regulation. The  
13 Department of Financial and Professional Regulation shall not  
14 issue an Adult Use Dispensing Organization License until:

15 (1) the Department of Financial and Professional  
16 Regulation has inspected the dispensary site and proposed  
17 operations and verified that they are in compliance with  
18 this Act and local zoning laws; and

19 (2) the Conditional Adult Use Dispensing Organization  
20 License holder has paid a registration fee of \$60,000, or a  
21 pro-rated amount accounting for the difference of time  
22 between when the Adult Use Dispensing Organization License  
23 is issued and March 31 of the next even-numbered year.  
24  
25



1           Section     15-40.     Dispensing     organization     agent  
2     identification card; agent training.

3           (a)     The     Department     of     Financial     and     Professional  
4     Regulation shall:

5                 (1) Verify the information contained in an application  
6             or     renewal     for     a     dispensing     organization     agent  
7             identification card submitted under this Article, and  
8             approve or deny an application or renewal, within 30 days  
9             of     receiving     a     completed     application     or     renewal  
10            application and all supporting documentation required by  
11            rule;

12                (2)     Issue     a     dispensing     organization     agent  
13             identification card to a qualifying agent within 15  
14             business days of approving the application or renewal;

15                (3) Enter the registry identification number of the  
16             dispensing organization where the agent works;

17                (4) Allow for an electronic application process and  
18             provide a confirmation by electronic or other methods that  
19             an application has been submitted; and

20                (5) Collect a \$100 nonrefundable fee from the applicant  
21             to be deposited in the Cannabis Regulation Fund.

22           (b) A dispensing agent must keep his or her identification  
23     card visible at all times when on the property of the  
24     dispensing organization.

25           (c) The dispensing organization agent identification cards  
26     shall contain the following:

1 (1) The name of the cardholder;

2 (2) The date of issuance and expiration date of the  
3 dispensing organization agent identification cards;

4 (3) A random 10 digit alphanumeric identification  
5 number containing at least 4 numbers and at least 4 letters  
6 that is unique to the cardholder; and

7 (4) A photograph of the cardholder.

8 (d) The dispensing organization agent identification cards  
9 shall be immediately returned to the dispensing organization  
10 upon termination of employment.

11 (e) The Department shall not issue an agent identification  
12 card if the applicant is delinquent in filing any required tax  
13 returns or paying any amounts owed to the State of Illinois.

14 (f) Any card lost by a dispensing organization agent shall  
15 be reported to the Department of State Police and the  
16 Department of Financial and Professional Regulation  
17 immediately upon discovery of the loss.

18 (g) An applicant shall be denied a dispensing organization  
19 agent identification card if he or she has been convicted of an  
20 excluded offense or fails to complete the training provided for  
21 in this Section.

22 (h) A dispensing organization agent shall only be required  
23 to hold one card for the same employer regardless of what type  
24 of dispensing organization license the employer holds.

25 (i) Cannabis retail sales training requirements.

26 (1) Within 90 days of September 1, 2019, or 90 days of

1 employment, whichever is later, all owners, managers,  
2 employees, and agents involved in the handling or sale of  
3 cannabis, or cannabis-infused product employed by a  
4 dispensing organization or medical cannabis dispensing  
5 organization as defined in the Section 10 of the  
6 Compassionate Use of Medical Cannabis Pilot Program Act  
7 shall attend and successfully complete a Responsible  
8 Vendor Program.

9 (2) Each owner, manager, employee, and agent of a  
10 dispensing organization or medical cannabis dispensing  
11 organization shall successfully complete the program  
12 annually.

13 (3) Training modules shall include at least 2 hours of  
14 instruction time approved by the Department of Financial  
15 and Professional Regulation including:

16 (i) Health and safety concerns of cannabis use,  
17 including the responsible use of cannabis, its  
18 physical effects, onset of physiological effects,  
19 recognizing signs of impairment, appropriate responses  
20 in the event of overconsumption.

21 (ii) Training on laws and regulations on driving  
22 while under the influence.

23 (iii) Sales to minors prohibition. Training shall  
24 cover all relevant Illinois laws and rules.

25 (iv) Quantity limitations on sales to consumers.  
26 Training shall cover all relevant Illinois laws and

1 rules.

2 (v) Acceptable forms of identification. Training  
3 shall include:

4 (I) How to check identification; and

5 (II) Common mistakes made in verification;

6 (vi) Safe storage of cannabis;

7 (vii) Compliance with all inventory tracking  
8 system regulations;

9 (viii) Waste handling, management, and disposal;

10 (ix) Health and safety standards;

11 (x) Maintenance of records;

12 (xi) Security and surveillance requirements;

13 (xii) Permitting inspections by State and local  
14 licensing and enforcement authorities;

15 (xiii) Privacy issues;

16 (xiv) Packaging and labeling requirement for sales  
17 to consumers; and

18 (xv) Other areas as determined by rule.

19 (j) Any modules complying with paragraph (3) of subsection  
20 (h) and not approved within 180 days after receipt by the  
21 Department of Financial and Professional Regulation of the  
22 business application shall automatically be considered  
23 approved.

24 (k) Upon the successful completion of the Responsible  
25 Vendor Program, the provider shall deliver proof of completion  
26 either through mail or electronic communication to the

1 dispensing organization, which shall retain a copy of the  
2 certificate.

3 (1) The license of a dispensing organization or medical  
4 cannabis dispensing organization whose owners, managers,  
5 employees, or agents fail to comply with this Section may be  
6 suspended or revoked under Section 15-145.

7 (m) The regulation of dispensing organization and medical  
8 cannabis dispensing employer and employee training is an  
9 exclusive function of the State, and regulation by a unit of  
10 local government, including a home rule unit, is prohibited.  
11 This subsection (m) is a denial and limitation of home rule  
12 powers and functions under subsection (h) of Section 6 of  
13 Article VII of the Illinois Constitution.

14 Section 15-45. Renewal.

15 (a) Early Approval Adult Use Dispensing Organization  
16 Licenses, shall expire on March 31 of even-numbered years.

17 (b) All other licenses and identification cards shall  
18 expire one year from the date they are issued.

19 (c) Licensees and dispensing agents shall submit a renewal  
20 application as provided by the Department of Financial and  
21 Professional Regulation and pay the required renewal fee. No  
22 license or agent identification card shall be renewed if it is  
23 currently under revocation or suspension for violation of this  
24 Article or the rules adopted under this Article or the  
25 licensee, principal officer, board member, person having a

1 financial or voting interest of 5% or greater in the licensee,  
2 or agent is delinquent in filing any required tax returns or  
3 paying any amounts owed to the State of Illinois.

4 (d) Renewal fees are:

5 (1) For a dispensing organization, \$60,000, to be  
6 deposited in the Cannabis Regulation Fund.

7 (2) For an agent identification card, \$100, to be  
8 deposited in the Cannabis Regulation Fund.

9 (e) If a dispensing organization fails to renew its license  
10 before expiration, the dispensing organization shall cease  
11 operations until the license is renewed.

12 (f) If a dispensing organization agent fails to renew his  
13 or her registration before its expiration, he or she shall cease  
14 to work or volunteer at a dispensing organization until his or  
15 her registration is renewed.

16 (g) Any dispensing organization that continues to operate  
17 or dispensing agent that continues to work or volunteer at a  
18 dispensing organization that fails to renew its license is  
19 subject to penalty as provided in this Article.

20 (h) The Department of Financial and Professional  
21 Regulation shall not renew a license or agent identification  
22 card if the applicant is delinquent in filing any required tax  
23 returns or paying any amounts owed to the State of Illinois.

24 Section 15-50. Disclosure of ownership and control.

25 (a) Each dispensing organization applicant and licensee

1 shall file and maintain a Table of Organization, Ownership and  
2 Control with the Department of Financial and Professional  
3 Regulation. The Table of Organization, Ownership and Control  
4 shall contain the information required by this Section in  
5 sufficient detail to identify all owners, directors, and  
6 principal officers, and the title of each principal officer or  
7 business entity that through direct or indirect means, manages,  
8 owns or controls the applicant or licensee.

9 (b) The Table of Organization, Ownership and Control shall  
10 identify the following information:

11 (1) The management structure, ownership and control of  
12 the applicant or license holder including the name of each  
13 principal officer or business entity, the office or  
14 position held and the percentage ownership interest, if  
15 any. If the business entity has a parent company, the name  
16 of each owner, board member, and officer of the parent  
17 company and their percentage ownership interest in the  
18 parent company and the dispensing organization.

19 (2) If the applicant or licensee is a business entity  
20 with publicly traded stock, the identification of  
21 ownership shall be provided as required in subsection (c).

22 (c) If a business entity identified in subsection (b) is a  
23 publicly traded company, the following information shall be  
24 provided in the Table of Organization, Ownership and Control:

25 (1) The name and percentage of ownership interest of  
26 each individual or business entity with ownership of more

1       than 5 percent of the voting shares of the entity, to the  
2       extent such information is known or contained in 13D or 13G  
3       Securities and Exchange Commission filings.

4       (2) To the extent known, the names and percentage of  
5       interest of ownership of persons who are relatives of one  
6       another and who together exercise control over or own more  
7       than 10 percent of the voting shares of the entity.

8       (d) A dispensing organization with a parent company or  
9       companies, or partially owned or controlled by another entity  
10      must disclose to the Department of Financial and Professional  
11      Regulation the relationship and all owners, board members,  
12      officers or individuals with control or management of those  
13      entities. A dispensing organization shall not shield its  
14      ownership or control from the Department.

15      (e) All principal officers must submit a complete online  
16      application with the Department within 14 days of the  
17      dispensing organization being licensed by the Department or  
18      within 14 days of Department notice of approval as a new  
19      principal officer.

20      (f) A principal officer may not allow his or her  
21      registration to expire.

22      (g) A dispensing organization separating with a principal  
23      officer must do so under this Act and this Article. The  
24      principal officer must communicate the separation to the  
25      Department within 5 business days.

26      (h) A principal officer not in compliance with the



1 requirements of this Act shall be removed from his or her  
2 position with the dispensing organization or shall otherwise  
3 terminate his or her affiliation. Failure to do so may subject  
4 the dispensing organization to discipline, suspension or  
5 revocation of its license by the Department.

6 (i) It is the responsibility of the dispensing organization  
7 and its principal officers to promptly notify the Department of  
8 any change of the principal place of business address, hours of  
9 operation, change in ownership or control, or a change of the  
10 dispensing organization's primary or secondary contact  
11 information. Any changes must be made to the Department in  
12 writing.

13 Section 15-55. Financial responsibility. Evidence of  
14 financial responsibility is a requirement for the issuance,  
15 maintenance or reactivation of a license. Evidence of financial  
16 responsibility shall be used to guarantee that the dispensing  
17 organization timely and successfully completes dispensary  
18 construction, operates in a manner that provides an  
19 uninterrupted supply of cannabis, faithfully pays registration  
20 renewal fees, keeps accurate books and records, makes regularly  
21 required reports, complies with State tax requirements, and  
22 conducts the dispensary in conformity with this Act and rules.  
23 Evidence of financial responsibility shall be provided by one  
24 of the following:

25 (1) Establishing and maintaining an escrow or surety

1 account in a financial institution in the amount of  
2 \$50,000, with escrow terms, approved by the Department of  
3 Financial and Professional Regulation, that it shall be  
4 payable to the Department in the event of circumstances  
5 outlined in this Act and rules.

6 (A) A financial institution may not return money in  
7 an escrow or surety account to the dispensing  
8 organization that established the account or a  
9 representative of the organization unless the  
10 organization or representative presents a statement  
11 issued by the Department indicating that the account  
12 may be released.

13 (B) The escrow or surety account shall not be  
14 canceled on less than 30 days' notice in writing to the  
15 Department, unless otherwise approved by the  
16 Department. If an escrow or surety account is canceled  
17 and the registrant fails to secure a new account with  
18 the required amount on or before the effective date of  
19 cancellation, the registrant's registration may be  
20 revoked. The total and aggregate liability of the  
21 surety on the bond is limited to the amount specified  
22 in the escrow or surety account.

23 (2) Providing a surety bond in the amount of \$50,000,  
24 naming the dispensing organization as principal of the  
25 bond, with terms, approved by the Department, that the bond  
26 defaults to the Department in the event of circumstances

1 outlined in this Act and rules. Bond terms shall include:

2 (A) The business name and registration number on  
3 the bond must correspond exactly with the business name  
4 and registration number in the Department's records.

5 (B) The bond must be written on a form approved by  
6 the Department.

7 (C) A copy of the bond must be received by the  
8 Department within 90 days after the effective date.

9 (D) The bond shall not be canceled by a surety on  
10 less than 30 days' notice in writing to the Department.  
11 If a bond is canceled and the registrant fails to file  
12 a new bond with the Department in the required amount  
13 on or before the effective date of cancellation, the  
14 registrant's registration may be revoked. The total  
15 and aggregate liability of the surety on the bond is  
16 limited to the amount specified in the bond.

17 Section 15-60. Changes to a dispensing organization.

18 (a) A license shall be issued to the specific dispensing  
19 organization identified on the application and for the specific  
20 location proposed. The license is valid only as designated on  
21 the license and for the location for which it is issued.

22 (b) A dispensing organization may only add principal  
23 officers after being approved by the Department of Financial  
24 and Professional Regulation.

25 (c) A dispensing organization shall provide written notice

1 of the removal of a principal officer within 5 business days  
2 after removal. The notice shall include the written agreement  
3 of the principal officer being removed, unless otherwise  
4 approved by the Department, and allocation of ownership shares  
5 after removal in an updated ownership chart.

6 (d) A dispensing organization shall provide a written  
7 request to the Department for the addition of principal  
8 officers. A dispensing organization shall submit proposed  
9 principal officer applications on forms approved by the  
10 Department of Financial and Professional Regulation.

11 (e) All proposed new principal officers shall be subject to  
12 the requirements of this Act and this Article.

13 (f) The Department may prohibit the addition of a principal  
14 officer to a dispensing organization for failure to comply with  
15 this Act or this Article.

16 (g) A dispensing organization may not assign a license.

17 (h) A dispensing organization may not transfer a license  
18 without prior Department approval.

19 (i) With the addition or removal of principal officers, the  
20 Department will review the ownership structure to determine  
21 whether the change in ownership has had the effect of a  
22 transfer of the license. The dispensing organization shall  
23 supply all ownership documents requested by the Department.

24 (j) A dispensing organization may apply to the Department  
25 to approve a sale of the dispensary. A request to sell the  
26 dispensary must be on application forms provided by the

1 Department. A request for an approval to sell a dispensing  
2 organization must comply with the following:

3 (1) New application materials shall comply with this  
4 Act;

5 (2) Application materials shall include a change of  
6 ownership fee;

7 (3) The application materials shall provide proof that  
8 the transfer of ownership will not have the effect of  
9 granting any of the owners, or principal officers direct or  
10 indirect ownership or control of more than 10 adult use  
11 dispensing organizations licenses;

12 (4) New principal officers shall each complete the  
13 proposed new principal officer application;

14 (5) If the Department approves the application  
15 materials and proposed new principal officer applications,  
16 it will perform an inspection before issuing a dispensary  
17 license;

18 (6) If a new license is approved, the Department will  
19 issue a new license number and certificate to the new  
20 dispensing organization.

21 (k) The dispensing organization shall provide the  
22 Department with the personal information for all new dispensing  
23 organizations agents as required in this Article and all new  
24 dispensing organization agents shall be subject to the  
25 requirements of this Article. A dispensing organization agent  
26 must obtain an agent card from the Department before beginning

1 work at a dispensary.

2 (1) Before remodeling, expansion, reduction, or other  
3 physical, noncosmetic alteration of a dispensary, the  
4 dispensing organization must notify the Department and confirm  
5 the alterations are in compliance with this Act.

6 Section 15-65. Administration.

7 (a) A dispensing organization shall establish, maintain  
8 and comply with written policies and procedures as submitted in  
9 an Operations and Management Practices Plan, approved by the  
10 Department of Financial and Professional Regulation, for the  
11 security, storage, inventory and distribution of cannabis.  
12 These policies and procedures shall include methods for  
13 identifying, recording and reporting diversion, theft or loss,  
14 and for correcting errors and inaccuracies in inventories. At a  
15 minimum, dispensing organizations shall ensure the written  
16 policies and procedures provide for the following:

17 (1) Mandatory and voluntary recalls of cannabis  
18 products. The policies shall be adequate to deal with  
19 recalls due to any action initiated at the request of the  
20 Department and any voluntary action by the dispensing  
21 organization to remove defective or potentially defective  
22 cannabis from the market or any action undertaken to  
23 promote public health and safety, including:

24 (i) A mechanism reasonably calculated to contact  
25 consumers who have, or likely have, obtained the

1 product from the dispensary, including information on  
2 the policy for return of the recalled product;

3 (ii) A mechanism to identify and contact the adult  
4 use cultivation center, craft grower, or processor  
5 that manufactured the cannabis;

6 (iii) Policies for communicating with the  
7 Department of Financial and Professional Regulation,  
8 the Department of Agriculture, and the Department of  
9 Public Health within 24 hours of discovering defective  
10 or potentially defective cannabis; and

11 (iv) Policies for destruction of any recalled  
12 cannabis product;

13 (2) Responses to local, State or national emergencies,  
14 including natural disasters, that affect the security or  
15 operation of a dispensary;

16 (3) Segregation and destruction of outdated, damaged,  
17 deteriorated, misbranded or adulterated cannabis. This  
18 procedure shall provide for written documentation of the  
19 cannabis disposition;

20 (4) Ensure the oldest stock of a cannabis product is  
21 distributed first. The procedure may permit deviation from  
22 this requirement, if such deviation is temporary and  
23 appropriate;

24 (5) Training of dispensing organization agents in the  
25 provisions of this Act and rules, to effectively operate  
26 the point-of-sale system and the State's verification

1 system, proper inventory handling and tracking, specific  
2 uses of cannabis or cannabis-infused products, instruction  
3 regarding regulatory inspection preparedness and law  
4 enforcement interaction; awareness of the legal  
5 requirements for maintaining status as an agent and other  
6 topics as specified by the dispensing organization or the  
7 Department. The dispensing organization shall maintain  
8 evidence of all training provided to each agent in its  
9 files that is subject to inspection and audit by the  
10 Department of Financial and Professional Regulation. The  
11 dispensing organization shall ensure agents receive a  
12 minimum of 8 hours of training annually, unless otherwise  
13 approved by the Department of Financial and Professional  
14 Regulation;

15 (6) Maintenance of business records consistent with  
16 industry standards, including bylaws, consents, manual or  
17 computerized records of assets and liabilities, audits,  
18 monetary transactions, journals, ledgers and supporting  
19 documents, including agreements, checks, invoices,  
20 receipts and vouchers. Records shall be maintained in a  
21 manner consistent with this Act and retained for 5 years;

22 (7) Inventory control, including:

23 (i) Tracking purchases and denials of sale;

24 (ii) Disposal of unusable or damaged cannabis as  
25 required by this Act and rules; and

26 (8) Consumer education and support, including:



1 (i) Whether possession of cannabis is illegal  
2 under federal law;

3 (ii) Current educational information issued by the  
4 Department of Public Health about the health risks  
5 associated with the use or abuse of cannabis;

6 (iii) Information about possible side effects;

7 (iv) Prohibition on smoking medical cannabis in  
8 public places; and

9 (v) Offer any other appropriate consumer education  
10 or support materials.

11 (b) Security, including:

12 (1) Protocols for consumer and agent safety and  
13 management;

14 (2) Security of cannabis and currency;

15 (3) Restricted access to the areas where cannabis is  
16 stored to authorized agents;

17 (4) Identification of authorized agents;

18 (5) Controlled access and prevention of loitering both  
19 inside and outside the dispensary;

20 (6) Electronic monitoring, including cameras and  
21 motion detector; and

22 (7) Use of a panic button.

23 (c) A dispensing organization shall maintain copies of the  
24 policies and procedures on the dispensary premises and provide  
25 copies to the Department of Financial and Professional  
26 Regulation upon request. The dispensing organization shall

1 review the dispensing organization policies and procedures at  
2 least once every 12 months from the issue date of the license  
3 and update as needed due to changes in industry standards or as  
4 requested by the Department of Financial and Professional  
5 Regulation;

6 (d) A dispensing organization shall ensure that each  
7 principal officer and each dispensary organization agent has a  
8 current agent identification card in the agent's immediate  
9 possession when the agent is at the dispensary.

10 (e) A dispensing organization shall provide prompt written  
11 notice to the Department, including the date of the event, when  
12 a dispensing organization agent no longer is employed by the  
13 dispensing organization;

14 (f) A dispensing organization shall promptly document and  
15 report any loss or theft of medical cannabis from the  
16 dispensary to the Department of State Police and the  
17 Department. It is the duty of any dispensing organization agent  
18 who becomes aware of the loss or theft to report it as provided  
19 in this Article. If the dispensing organization knows that a  
20 principal officer or dispensing organization agent has been  
21 arrested for or convicted of an excluded offense, the  
22 dispensing organization shall promptly notify the Department.

23 (g) A dispensing organization shall post the following  
24 information in a conspicuous location in an area of the  
25 dispensary accessible to consumers:

26 (1) The dispensing organization's registration;

1 (2) The hours of operation.

2 (h) Signage.

3 (1) All dispensing organizations must display a  
4 placard that states the following: "Cannabis consumption  
5 can impair cognition and driving, is for adult use only,  
6 may be habit forming, and should not be used by pregnant or  
7 breastfeeding women.".

8 (2) Any dispensing organization that sells edible  
9 cannabis-infused products must display a placard that  
10 states the following:

11 (A) "Edible cannabis-infused products were  
12 produced in a kitchen not subject to public health  
13 inspections that may also process common food  
14 allergens."; and

15 (B) "The effects of cannabis products can vary from  
16 person to person, and it can take as long as two hours  
17 to feel the effects of some cannabis-infused products.  
18 Carefully review the portion size information and  
19 warnings contained on the product packaging before  
20 consuming.".

21 (3) The placards shall be no smaller than 24 inches  
22 tall by 36 inches wide, with typed letters no smaller than  
23 2 inches, containing no additional language. The placard  
24 shall be clearly visible and readable by customers and  
25 shall be written in English. The signage shall be placed in  
26 the area where edible cannabis-infused products are sold

1 and may be translated into additional languages as needed.

2 (i) A dispensing organization shall prominently post  
3 notices inside the dispensing organization that state  
4 activities that are strictly prohibited and punishable by law,  
5 including, but not limited to:

6 (1) No minors permitted on the premises unless the  
7 minor is a minor qualifying patient under the Compassionate  
8 Use of Medical Cannabis Pilot Program Act;

9 (2) No on-site consumption of any cannabis or cannabis  
10 products;

11 (3) Distribution to persons under the age of 21 is  
12 prohibited;

13 (4) Transportation of cannabis or cannabis products  
14 across state lines is prohibited.

15 Section 15-70. Operational requirements; prohibitions.

16 (a) A dispensing organization shall operate in accordance  
17 with the representations made in its application and license  
18 materials. It shall be in compliance with this Act and rules.

19 (b) A dispensing organization must include the legal name  
20 of the dispensary on the packaging of any cannabis product it  
21 sells.

22 (c) All cannabis, cannabis-infused products, and cannabis  
23 seeds must be obtained from an Illinois registered Adult use  
24 cultivation center, craft grower, processor, or another  
25 dispensary.

1 (d) Dispensing organizations are prohibited from selling  
2 any product containing alcohol except tinctures, which must be  
3 limited to containers that are no larger than 30 milliliters.

4 (e) A dispensing organization shall inspect and count  
5 product received by the adult use cultivation center before  
6 dispensing it.

7 (f) A dispensing organization may only accept cannabis  
8 deliveries into a restricted access area. Deliveries may not be  
9 accepted through the public or limited access areas unless  
10 otherwise approved by the Department of Financial and  
11 Professional Regulation.

12 (g) A dispensing organization shall maintain compliance  
13 with State and local building, fire, and zoning requirements or  
14 regulations.

15 (h) A dispensing organization shall submit a list to the  
16 Department of the name of all service professionals that will  
17 work at the dispensary. The list shall include a description of  
18 the type of business or service provided. Changes to the  
19 service professional list shall be promptly provided. No  
20 service professional shall work in the dispensary until the  
21 name is provided to the Department on the service professional  
22 list.

23 (i) A dispensing organization's license allows for a  
24 dispensary to be operated at a single location.

25 (j) A dispensary may operate between 6 a.m. and 10 p.m.  
26 local time.

1 (k) A dispensing organization must keep all lighting  
2 outside and inside the dispensary in good working order and  
3 wattage sufficient for security cameras.

4 (l) A dispensing organization shall ensure that any  
5 building or equipment used by a dispensing organization for the  
6 storage or sale of cannabis is maintained in a clean and  
7 sanitary condition.

8 (m) The dispensary shall be free from infestation by  
9 insects, rodents, or pests.

10 (n) A dispensing organization shall not:

11 (1) Produce or manufacture cannabis;

12 (2) Allow consumption of cannabis at the dispensary;

13 (3) Accept a cannabis product from an adult use  
14 cultivation center, craft grower, processor, or  
15 transporting organization unless it is pre-packaged and  
16 labeled in accordance with this Act;

17 (4) Obtain cannabis or cannabis-infused products from  
18 outside the State of Illinois.

19 (5) Sell cannabis or cannabis-infused products to a  
20 consumer unless the individual is registered under the  
21 Compassionate Use of Medical Cannabis Pilot Program or the  
22 purchaser has been verified to be over the age of 21.

23 (6) Enter into an exclusive agreement with any adult  
24 use cultivation center, craft grower, or processor.  
25 Dispensaries shall provide consumers an assortment of  
26 products from various cannabis business establishment

1 licensees. The Department may request that a dispensary  
2 diversify its products as needed;

3 (7) Refuse to conduct business with a adult use  
4 cultivation center, craft grower, or processor that has the  
5 ability to properly deliver the product and is permitted by  
6 the Department of Agriculture, on the same terms as other  
7 adult use cultivation centers with whom it is dealing;

8 (8) Operate drive through windows;

9 (9) Allow for the dispensing of cannabis or  
10 cannabis-infused products in vending machines;

11 (10) Transport cannabis to residences or other  
12 locations where purchasers may be for delivery;

13 (11) Enter into agreements to allow persons who are not  
14 dispensing organization agents to deliver cannabis to  
15 transport cannabis to purchasers.

16 (12) Operate a dispensary if its video surveillance  
17 equipment is inoperative;

18 (13) Operate a dispensary if the point-of-sale  
19 equipment is inoperative;

20 (14) Operate a dispensary if the State's cannabis  
21 electronic verification system is inoperative;

22 (15) Have fewer than 2 people working at the dispensary  
23 at any time while the dispensary is open;

24 (16) Be located within 1,500 feet of the property line  
25 of a pre-existing dispensing organization or medical  
26 cannabis dispensing organization;

1 (17) Conduct sales or accept payment over the Internet  
2 or through electronic application accessed from outside  
3 the dispensing organization location, however, the  
4 dispensing organization may allow purchasers to pre-order  
5 items for pick up and payment inside the dispensary;

6 (18) Sell clones or any other live plant material;

7 (19) Sell cannabis, cannabis concentrate, or  
8 cannabis-infused products in combination or bundled with  
9 each other or any other items for one price, and each item  
10 of cannabis, concentrate or cannabis-infused product must  
11 be separately identified by quantify and price on the  
12 receipt.

13 (19) Violate any other requirements or prohibitions  
14 set by Department of Financial and Professional Regulation  
15 rules.

16 (o) It is unlawful for any person having an Early Applicant  
17 Adult Use Dispensing Organization License, an Adult Use  
18 Dispensing Organization License, or a medical cannabis  
19 dispensing organization license or any officer, associate,  
20 member, representative, or agent of such licensee to accept,  
21 receive, or borrow money or anything else of value or accept or  
22 receive credit (other than merchandising credit in the ordinary  
23 course of business for a period not to exceed 30 days) directly  
24 or indirectly from any adult use cultivation center, craft  
25 grower, processor, or transporting organization. This includes  
26 anything received or borrowed or from any stockholders,



1 officers, agents, or person connected with an adult use  
2 cultivation center, craft grower, processor, or transporting  
3 organization. This also excludes any received or borrowed in  
4 exchange for preferential placement by the dispensing  
5 organization, including preferential placement on the  
6 dispensing organization's shelves, display cases, or website.

7 (p) It is unlawful for any person having an Early Applicant  
8 Adult Use Dispensing Organization License, an Adult Use  
9 Dispensing Organization License, or a medical cannabis  
10 dispensing organization license issued under the Compassionate  
11 Use of Medical Cannabis Pilot Program Act to enter into any  
12 contract with any person licensed to cultivate, process, or  
13 transport cannabis whereby such licensee agrees not to sell any  
14 cannabis cultivated, processed, or transported manufactured or  
15 distributed by any other cultivator, transporter, or  
16 processor, and any provision in any contract violative of this  
17 Section shall render the whole of such contract void and no  
18 action shall be brought thereon in any court.

19 Section 15-75. Inventory control system.

20 (a) A dispensing organization agent-in-charge shall have  
21 primary oversight of the dispensing organization's cannabis  
22 inventory verification system, and its point-of-sale system.  
23 The inventory point-of-sale system shall be real-time,  
24 web-based and accessible by the Department of Financial and  
25 Professional Regulation at any time. The point-of-sale system

1 shall track, at a minimum the date of sale, amount, price, and  
2 currency.

3 (b) A dispensing organization shall establish an account  
4 with the State's verification system that documents:

5 (1) Each sales transaction at the time of sale and each  
6 day's beginning inventory, acquisitions, sales, disposal,  
7 and ending inventory.

8 (2) Acquisition of cannabis and cannabis-infused  
9 products from a permitted adult use cultivation center,  
10 including:

11 (i) A description of the products including the  
12 quantity, strain, variety and batch number of each  
13 product received;

14 (ii) The name and registry identification number  
15 of the permitted adult use cultivation center, craft  
16 grower, or processor providing the cannabis and  
17 cannabis products;

18 (iii) The name and registry identification number  
19 of the permitted adult use cultivation center, craft  
20 grower, processor, or transportation agent delivering  
21 the cannabis;

22 (iv) The name and registry identification number  
23 of the dispensing organization agent receiving the  
24 cannabis; and

25 (v) The date of acquisition.

26 (3) The disposal of cannabis, including:

1 (i) A description of the products, including the  
2 quantity, strain, variety, batch number and reason for  
3 the cannabis being disposed;

4 (ii) The method of disposal; and

5 (iii) The date and time of disposal.

6 (c) Upon cannabis delivery, a dispensing organization  
7 shall confirm the product's name, strain name, weight and  
8 identification number on the manifest matches the information  
9 on the cannabis product label and package. The product name  
10 listed and the weight listed in the State's verification system  
11 shall match the product packaging.

12 (d) The agent-in-charge shall conduct daily inventory  
13 reconciliation documenting and balancing cannabis inventory by  
14 confirming the State's verification system matches the  
15 dispensing organization's point-of-sale system and the amount  
16 of physical product at the dispensary.

17 (1) A dispensing organization must receive Department  
18 approval before completing an inventory adjustment. It  
19 shall provide a detailed reason for the adjustment.  
20 Inventory adjustment documentation shall be kept at the  
21 dispensary for 2 years from the date performed.

22 (2) If the dispensing organization identifies an  
23 imbalance in the amount of cannabis after the daily  
24 inventory reconciliation due to mistake, the dispensing  
25 organization shall determine how the imbalance occurred  
26 and immediately upon discovery take and document

1 corrective action. If the dispensing organization cannot  
2 identify the reason for the mistake within 2 calendar days  
3 after first discovery, it shall inform the Department  
4 immediately in writing of the imbalance and the corrective  
5 action taken to date. The dispensing organization shall  
6 work diligently to determine the reason for the mistake.

7 (3) If the dispensing organization identifies an  
8 imbalance in the amount of cannabis after the daily  
9 inventory reconciliation or through other means due to  
10 theft, criminal activity or suspected criminal activity,  
11 the dispensing organization shall immediately determine  
12 how the reduction occurred and take and document corrective  
13 action. Within 24 hours after the first discovery of the  
14 reduction due to theft, criminal activity or suspected  
15 criminal activity, the dispensing organization shall  
16 inform the Department of Financial and Professional  
17 Regulation and the Department of State Police in writing.

18 (4) The dispensing organization shall file an annual  
19 compilation report with the Department of Financial and  
20 Professional Regulation, including a financial statement  
21 that shall include, but not be limited to, an income  
22 statement, balance sheet, profit and loss statement,  
23 statement of cash flow, wholesale cost and sales and any  
24 other documentation requested by the Department of  
25 Financial and Professional Regulation in writing. The  
26 financial statement shall include any other information

1 the Department deems necessary in order to effectively  
2 administer this Act and all rules, orders, and final  
3 decisions promulgated under this Act. Statements required  
4 by this Section shall be filed with the Department within  
5 60 days after the end of the calendar year. The compilation  
6 report shall include a letter authored by a licensed  
7 certified public accountant that it has been reviewed and  
8 is accurate based on the information provided. The  
9 dispensing organization, financial statement and  
10 accompanying documents are not required to be audited  
11 unless specifically requested by the Department.

12 (e) A dispensing organization shall:

13 (1) Maintain the documentation required in this  
14 Section in a secure locked location at the dispensing  
15 organization for 5 years from the date on the document;

16 (2) Provide any documentation required to be  
17 maintained in this Section to the Department of Financial  
18 and Professional Regulation for review upon request; and

19 (3) If maintaining a bank account, retain for a period  
20 of 5 years a record of each deposit or withdrawal from the  
21 account.

22 (f) If a dispensing organization chooses to have a return  
23 policy for cannabis and cannabis products, the dispensary shall  
24 seek prior approval from the Department.

25 Section 15-80. Storage requirements.

1 (a) Authorized On-Premises Storage. A dispensing  
2 organization must store inventory on its premises. All  
3 inventory stored on the premises must be secured in a  
4 restricted access area and tracked consistently with the  
5 inventory tracking rules.

6 (b) A dispensary shall be of suitable size and construction  
7 to facilitate cleaning, maintenance and proper operations.

8 (c) A dispensary shall maintain adequate lighting,  
9 ventilation, temperature, humidity control and equipment.

10 (d) Containers storing cannabis that have been tampered  
11 with or opened shall be labeled with the date opened and  
12 quarantined from other cannabis products in the vault until  
13 they are disposed.

14 (e) Cannabis that was tampered with or damaged shall not be  
15 stored at the premises for more than 7 calendar days.

16 (f) Cannabis samples shall be in a sealed container.  
17 Samples shall be maintained in the restricted access area.

18 (g) The dispensary storage areas shall be maintained in  
19 accordance with the security requirements in this Act and rules

20 (h) Cannabis must be stored at appropriate temperatures and  
21 under appropriate conditions to help ensure that its packaging,  
22 strength, quality and purity are not adversely affected.

23 Section 15-85. Dispensing cannabis.

24 (a) Before a dispensing organization agent dispenses  
25 cannabis to a purchaser, the agent shall:

1           (1) Verify the age of the purchaser by checking a  
2           government-issued identification card containing a  
3           photograph of the consumer;

4           (2) Verify the validity of the government-issued  
5           identification card;

6           (3) Offer any appropriate consumer education or  
7           support materials;

8           (4) Enter the following information into the State's  
9           cannabis electronic verification system:

10           (i)     The dispensing organization agent's  
11           identification number;

12           (ii)    The dispensing organization's identification  
13           number;

14           (iii)   The amount, type (including strain, if  
15           applicable) of cannabis or cannabis-infused product  
16           dispensed;

17           (iv)    The date and time the cannabis was dispensed.

18           (b) A dispensing organization shall refuse to sell cannabis  
19           or cannabis products to any person unless the person produces a  
20           valid identification showing that the person is 21 years of age  
21           or older. A medical cannabis dispensing organization may sell  
22           cannabis or cannabis products to a person who is less than 21  
23           years of age if the sale complies with the provisions of the  
24           Compassionate Use of Medical Cannabis Pilot Program Act and  
25           rules.

26           (c) For the purposes of this Section, valid identification

1 must:

2 (1) Be valid and unexpired;

3 (2) Contain a photograph and date of birth of the  
4 person.

5 Section 15-90. Destruction and disposal of cannabis.

6 (a) Cannabis and cannabis-infused products must be  
7 destroyed by rendering it unusable using methods approved by  
8 the Department of Financial and Professional Regulation that  
9 comply with this Act and rules.

10 (b) Cannabis waste rendered unusable must be promptly  
11 disposed according to this Act and rules. Disposal of the  
12 cannabis waste rendered unusable may be delivered to a  
13 permitted solid waste facility for final disposition.  
14 Acceptable permitted solid waste facilities include, but are  
15 not limited to:

16 (1) Compostable Mixed Waste: Compost, anaerobic  
17 digester or other facility with approval of the  
18 jurisdictional health department.

19 (2) Noncompostable Mixed Waste: Landfill, incinerator  
20 or other facility with approval of the jurisdictional  
21 health department.

22 (c) All waste and unusable product shall be weighed,  
23 recorded, and entered into the inventory system before  
24 rendering it unusable. Verification of this event shall be  
25 performed by an agent-in-charge and conducted in an area with



1 video surveillance.

2 (d) Electronic documentation of destruction and disposal  
3 shall be maintained for a period of at least 5 years.

4 Section 15-95. Agent-in-charge.

5 (a) Every dispensing organization shall designate, at a  
6 minimum, one agent-in-charge for each licensed dispensary. The  
7 designated agent-in-charge must hold a dispensing organization  
8 agent identification card. Maintaining an agent-in-charge is a  
9 continuing requirement for the license, except as provided in  
10 subsection (g).

11 (b) The agent-in-charge shall be a principal officer or a  
12 full-time agent of the dispensing organization and shall manage  
13 the dispensary, Managing the dispensary includes, but is not  
14 limited to, responsibility for opening and closing the  
15 dispensary, delivery acceptance, oversight of sales and  
16 dispensing organization agents, recordkeeping, inventory,  
17 dispensing organization agent training, and compliance with  
18 this Act and rules. Participation in affairs also includes the  
19 responsibility for maintaining all files subject to audit or  
20 inspection by the Department at the dispensary.

21 (c) The agent-in-charge is responsible for promptly  
22 notifying the Department of any change of information required  
23 to be reported to the Department.

24 (d) In determining whether an agent-in-charge manages the  
25 dispensary, the Department may consider the responsibilities

1 identified in this Section, the number of dispensing  
2 organization agents under the supervision of the  
3 agent-in-charge, and the employment relationship between the  
4 agent-in-charge and the dispensing organization, including the  
5 existence of a contract for employment and any other relevant  
6 fact or circumstance.

7 (e) The agent-in-charge is responsible for notifying the  
8 Department of a change in the employment status of all  
9 dispensing organization agents within 5 business days after the  
10 change, including notice to the Department if the termination  
11 of an agent was for diversion of product or theft of currency.

12 (f) In the event of the separation of an agent-in-charge  
13 due to death, incapacity, termination or any other reason and  
14 if the dispensary does not have an active agent-in-charge, the  
15 dispensing organization shall immediately contact the  
16 Department and request a temporary certificate of authority  
17 allowing the continuing operation. The request shall include  
18 the name of an interim agent-in-charge until a replacement is  
19 identified, or shall include the name of the replacement. The  
20 Department shall issue the temporary certificate of authority  
21 promptly after it approves the request. If a dispensing  
22 organization fails to promptly request a temporary certificate  
23 of authority after the separation of the agent-in-charge, its  
24 registration shall cease until the Department approves the  
25 temporary certificate of authority or registers a new  
26 agent-in-charge. No temporary certificate of authority shall

1 be valid for more than 90 days. The succeeding agent-in-charge  
2 shall register with the Department in compliance with this  
3 Article. Once the permanent succeeding agent-in-charge is  
4 registered with the Department, the temporary certificate of  
5 authority is void. No temporary certificate of authority shall  
6 be issued for the separation of an agent-in-charge due to  
7 disciplinary action by the Department related to his or her  
8 conduct on behalf of the dispensing organization.

9 (g) The dispensing organization agent-in-charge  
10 registration shall expire one year from the date it is issued.  
11 The agent-in-charge's registration shall be renewed annually.  
12 The Department shall review the dispensary's compliance  
13 history when determining whether to grant the request to renew.

14 (h) Upon termination of an agent-in-charge's employment,  
15 the dispensing organization shall immediately reclaim the  
16 dispensary agent identification card. The dispensing  
17 organization shall promptly return the identification card to  
18 the Department.

19 (i) The Department may deny an application or renewal,  
20 discipline or revoke an agent-in-charge identification card  
21 for any of the following reasons:

22 (1) Submission of misleading, incorrect, false or  
23 fraudulent information in the application or renewal  
24 application;

25 (2) Violation of the requirements of this Act or rules;

26 (3) Fraudulent use of the agent-in-charge

1 identification card;

2 (4) Selling, distributing, transferring in any manner,  
3 or giving cannabis to any unauthorized person;

4 (5) Tampering with, falsifying, altering, modifying or  
5 duplicating an agent-in-charge identification card;

6 (6) Tampering with, falsifying, altering, modifying  
7 the surveillance video footage, point-of-sale system, or  
8 the State's verification system;

9 (7) Failure to notify the Department immediately upon  
10 discovery that the agent-in-charge identification card has  
11 been lost, stolen or destroyed;

12 (8) Failure to notify the Department within 5 business  
13 days after a change in the information provided in the  
14 application for an agent-in-charge identification card;

15 (9) Conviction of an excluded offense or any incident  
16 listed in this Act or rules following the issuance of an  
17 agent-in-charge identification card; or

18 (10) Dispensing to purchasers in amounts above the  
19 limits provided in this Act.

20 Section 15-100. Security.

21 (a) A dispensing organization shall implement security  
22 measures to deter and prevent entry into and theft of cannabis  
23 or currency.

24 (b) A dispensing organization shall submit any changes to  
25 the floor plan or security plan to the Department for

1 pre-approval. All cannabis shall be maintained and stored in a  
2 restricted access area during construction.

3 (c) The dispensing organization shall implement security  
4 measures to protect the premises, consumers, dispensing  
5 organization agents including, but not limited to the  
6 following:

7 (1) Establish a locked door or barrier between the  
8 facility's entrance and the limited access area;

9 (2) Prevent individuals from remaining on the premises  
10 if they are not engaging in activity permitted by this Act  
11 or rules;

12 (3) Develop a policy that addresses the maximum  
13 capacity and consumer flow in the waiting rooms and limited  
14 access areas;

15 (4) Dispose of cannabis in accordance with this Act and  
16 rules;

17 (5) During hours of operation, store and dispense all  
18 cannabis from the restricted access area. During  
19 operational hours, cannabis shall be stored in an enclosed  
20 locked room or cabinet and accessible only to specifically  
21 authorized dispensing organization agents;

22 (6) When the dispensary is closed, store all cannabis  
23 and currency in a reinforced vault room in the restricted  
24 access area and in a manner as to prevent diversion, theft  
25 or loss;

26 (7) Keep the reinforced vault room and any other

1 equipment or cannabis storage areas securely locked and  
2 protected from unauthorized entry;

3 (8) Keep an electronic daily log of dispensing  
4 organization agents with access to the reinforced vault  
5 room and knowledge of the access code or combination;

6 (9) Keep all locks and security equipment in good  
7 working order;

8 (10) The security and alarm system shall be operational  
9 at all times.

10 (11) Prohibit keys, if applicable, from being left in  
11 the locks, or stored or placed in a location accessible to  
12 persons other than specifically authorized personnel;

13 (12) Prohibit accessibility of security measures,  
14 including combination numbers, passwords or electronic or  
15 biometric security systems to persons other than  
16 specifically authorized dispensing organization agents;

17 (13) Ensure the dispensary interior and exterior  
18 premises are sufficiently lit to facilitate surveillance;

19 (14) Ensure that trees, bushes and other foliage  
20 outside of the dispensary premises do not allow for a  
21 person or persons to conceal themselves from sight;

22 (15) Develop emergency policies and procedures for  
23 securing all product and currency following any instance of  
24 diversion, theft or loss of cannabis, and conduct an  
25 assessment to determine whether additional safeguards are  
26 necessary; and

1           (16) Develop sufficient additional safeguards in  
2           response to any special security concerns, or as required  
3           by the Department.

4           (d) The Department may request or approve alternative  
5           security provisions that it determines are an adequate  
6           substitute for a security requirement specified in this  
7           Article. Any additional protections may be considered by the  
8           Department in evaluating overall security measures.

9           (e) A dispensing organization may share premises with  
10          another licensee as permitted in this Act other than a adult  
11          use cultivation center, provided each licensee stores currency  
12          and cannabis or cannabis-infused products in a separate secured  
13          vault to which the other licensee does not have access, or to  
14          which all licensees sharing the vault are owned by the same  
15          entity.

16          (f) A dispensing organization shall provide additional  
17          security as needed and in a manner appropriate for the  
18          community where it operates.

19          (g) Restricted Access Areas.

20                (1) All restricted access areas must be identified by  
21                the posting of a sign that is a minimum of 12 inches by 12  
22                inches and that states "Do Not Enter - Restricted Access  
23                Area - Authorized Personnel Only" in lettering no smaller  
24                than one inch in height.

25                (2) All restricted access areas shall be clearly  
26                described in the floor plan of the premises, in the form

1 and manner determined by the Department, reflecting walls,  
2 partitions, counters and all areas of entry and exit. The  
3 floor plan shall show all storage, disposal, and retail  
4 sales areas.

5 (3) All restricted access areas must be secure, with  
6 locking devices that prevent access from the limited access  
7 areas.

8 (h) Security and Alarm.

9 (1) A dispensing organization shall have an adequate  
10 security plan and security system to prevent and detect  
11 diversion, theft or loss of cannabis, currency or  
12 unauthorized intrusion using commercial grade equipment  
13 installed by an Illinois licensed private alarm contractor  
14 or private alarm contractor agency that shall, at a  
15 minimum, include:

16 (i) A perimeter alarm on all entry points and glass  
17 break protection on perimeter windows;

18 (ii) Security shatterproof tinted film on exterior  
19 windows;

20 (iii) A failure notification system that provides  
21 an audible, text or visual notification of any failure  
22 in the surveillance system, including but not limited  
23 to, panic buttons, alarms, and video monitoring  
24 system. The failure notification system shall provide  
25 an alert to designated dispensing organization agents  
26 within 5 minutes after the failure, either by telephone



1 or text message;

2 (iv) A duress alarm, panic button and alarm, or  
3 holdup alarm and after-hours intrusion detection alarm  
4 that by design and purpose will directly or indirectly  
5 notify, by the most efficient means, the Public Safety  
6 Answering Point for the law enforcement agency having  
7 primary jurisdiction;

8 (v) Security equipment to deter and prevent  
9 unauthorized entrance into the dispensary, including  
10 electronic door locks on the limited and restricted  
11 access areas that include devices or a series of  
12 devices to detect unauthorized intrusion that may  
13 include a signal system interconnected with a radio  
14 frequency method, cellular, private radio signals or  
15 other mechanical or electronic device;

16 (2) All security system equipment and recordings shall  
17 be maintained in good working order, in a secure location  
18 so as to prevent theft, loss, destruction or alterations.

19 (3) Access to surveillance monitoring recording  
20 equipment shall be limited to persons that are essential to  
21 surveillance operations, law enforcement authorities  
22 acting within their jurisdiction, security system service  
23 personnel and the Department. A current list of authorized  
24 dispensing organization agents and service personnel that  
25 have access to the surveillance equipment must be available  
26 to the Department upon request.

1           (4) All security equipment shall be inspected and  
2           tested at regular intervals, not to exceed one month from  
3           the previous inspection and test to ensure the systems  
4           remain functional.

5           (5) The security system shall provide protection  
6           against theft and diversion that is facilitated or hidden  
7           by tampering with computers or electronic records.

8           (6) The dispensary shall ensure all access doors are  
9           not solely controlled by an electronic access panel to  
10          ensure that locks are not released during a power outage.

11          (i) To monitor the dispensary, the dispensing organization  
12          shall incorporate continuous electronic video monitoring  
13          including the following:

14               (1) All monitors must be 19-inches or greater;

15               (2) Unobstructed video surveillance of all enclosed  
16          dispensary areas, unless prohibited by law, including all  
17          points of entry and exit that shall be appropriate for the  
18          normal lighting conditions of the area under surveillance.  
19          The cameras shall be directed so all areas are captured,  
20          including, but not limited to, safes, vaults, sales areas  
21          and areas where cannabis is stored, handled, dispensed or  
22          destroyed. Cameras shall be angled to allow for facial  
23          recognition, the capture of clear and certain  
24          identification of any person entering or exiting the  
25          dispensary area and in lighting sufficient during all times  
26          of night or day;

1           (3) Unobstructed video surveillance of outside areas,  
2           the storefront and the parking lot, that shall be  
3           appropriate for the normal lighting conditions of the area  
4           under surveillance. Cameras shall be angled so as to allow  
5           for the capture of facial recognition, clear and certain  
6           identification of any person entering or exiting the  
7           dispensary, the immediate surrounding area and license  
8           plates of vehicles in the parking lot;

9           (4) 24-hour recordings from all video cameras  
10          available for immediate viewing by the Department upon  
11          request. Recordings shall not be destroyed or altered and  
12          retained for at least 90 days. Recordings shall be retained  
13          as long as necessary if the dispensing organization is  
14          aware of the loss or theft of cannabis or a pending  
15          criminal, civil or administrative investigation, or legal  
16          proceeding for which the recording may contain relevant  
17          information;

18          (5) The ability to immediately produce a clear, color  
19          still photo from the surveillance video, either live or  
20          recorded;

21          (6) A date and time stamp embedded on all video  
22          surveillance recordings. The date and time shall be  
23          synchronized and set correctly and shall not significantly  
24          obscure the picture;

25          (7) The ability to remain operational during a power  
26          outage and ensure all access doors are not solely

1 controlled by an electronic access panel to ensure that  
2 locks are not released during a power outage;

3 (8) All video surveillance equipment shall allow for  
4 the exporting of still images in an industry standard image  
5 format, including .jpg, .bmp, and .gif. Exported video  
6 shall have the ability to be archived in a proprietary  
7 format that ensures authentication of the video and  
8 guarantees that no alteration of the recorded image has  
9 taken place. Exported video shall also have the ability to  
10 be saved in an industry standard file format that can be  
11 played on a standard computer operating system. All  
12 recordings shall be erased or destroyed before disposal;

13 (9) The video surveillance system shall be operational  
14 during a power outage with a 4-hour minimum battery backup;

15 (10) A video camera or cameras recording at each  
16 point-of-sale location allowing for the identification of  
17 the dispensing organization agent distributing the  
18 cannabis and any consumer. The camera or cameras shall  
19 capture the sale, the individuals and the computer monitors  
20 used for the sale;

21 (11) A failure notification system that provides an  
22 audible and visual notification of any failure in the  
23 electronic video monitoring system; and

24 (12) All electronic video surveillance monitoring must  
25 record at least the equivalent of 8 frames per second and  
26 be available to the Department and the Department of State

1 Police 24 hours a day in real time via a secure web-based  
2 portal with reverse functionality.

3 (j) The requirements contained in this Act are minimum  
4 requirements for operating a dispensing organization. The  
5 Department may establish additional requirements by rule.

6 Section 15-110. Recordkeeping.

7 (a) Dispensing organization records must be maintained  
8 electronically and be available for inspection by the  
9 Department of Financial and Professional Regulation upon  
10 request. Required written records include, but are not limited  
11 to, the following:

- 12 (1) Operating procedures;  
13 (2) Inventory records, policies and procedures;  
14 (3) Security records;  
15 (4) Audit records;  
16 (5) Staffing plan; and  
17 (6) Business records, including but not limited to:  
18 (i) Assets and liabilities;  
19 (ii) Monetary transactions;  
20 (iii) Written or electronic accounts that shall  
21 include bank statements, journals, ledgers and  
22 supporting documents, agreements, checks, invoices,  
23 receipts and vouchers; and  
24 (iv) Any other financial accounts reasonably  
25 related to the dispensary operations.

1 (b) Storage and transfer of records. If a dispensary closes  
2 due to insolvency, revocation, bankruptcy or for any other  
3 reason, all records must be preserved at the expense of the  
4 dispensing organization for at least 3 years in a form and  
5 location in Illinois acceptable to the Department. The  
6 dispensing organization shall keep the records longer if  
7 requested by the Department. The dispensing organization shall  
8 notify the Department of the location where the dispensary  
9 records are stored or transferred.

10 Section 15-120. Closure of a dispensary.

11 (a) If a dispensing organization decides not to renew its  
12 license or decides to close its business, it shall promptly  
13 notify the Department of Financial and Professional  
14 Regulation, not less than 3 months before the effective date of  
15 the closing date or as otherwise authorized by the Department.

16 (b) The dispensing organization shall work with the  
17 Department to develop a closure plan that addresses, at a  
18 minimum, the transfer of business records, transfer of cannabis  
19 products, and anything else the Department finds necessary.

20 Section 15-125. Fees. After January 1, 2022, the Department  
21 of Financial and Professional Regulation may by rule modify any  
22 application or renewal fee established under this Article.

23 Section 15-130. Confidentiality.

1 (a) The following information received and records kept by  
2 the Department of Financial and Professional Regulation for  
3 purposes of administering this Article are subject to all  
4 applicable federal privacy laws, confidential, and exempt from  
5 the Freedom of Information Act, and not subject to disclosure  
6 to any individual or public or private entity, except as  
7 necessary for authorized employees of the Department of  
8 Financial and Professional Regulation to perform official  
9 duties under this Article and the following information  
10 received and kept by the Department of Financial and  
11 Professional Regulation, excluding any existing or nonexisting  
12 Illinois or national criminal history record information, may  
13 be disclosed to the Department of Public Health, the Department  
14 of Agriculture, the Department of Revenue, or the Department of  
15 State Police upon request:

16 (1) Applications and renewals, their contents, and  
17 supporting information submitted by or on behalf of  
18 dispensing organizations in compliance with this Article,  
19 including their physical addresses;

20 (2) Any plans, procedures, policies, or other records  
21 relating to dispensing organization security;

22 (3) Information otherwise exempt from disclosure by  
23 State or federal law.

24 (b) All information collected by the Department of  
25 Financial and Professional Regulation in the course of an  
26 examination, inspection, or investigation of a licensee or

1 applicant, including, but not limited to, any complaint against  
2 a licensee or applicant filed with the Department and  
3 information collected to investigate any such complaint, shall  
4 be maintained for the confidential use of the Department and  
5 shall not be disclosed, except as otherwise provided in the  
6 Act. A formal complaint filed against a licensee by the  
7 Department or any disciplinary order issued by the Department  
8 against a licensee or applicant shall be a public record,  
9 except as otherwise prohibited by law.

10 Section 15-135. Investigations.

11 (a) Dispensing organizations are subject to random and  
12 unannounced dispensary inspections and cannabis testing by the  
13 Department of Financial and Professional Regulation and the  
14 Department of State Police.

15 (b) The Department of Financial and Professional  
16 Regulation and its authorized representatives may enter any  
17 place, including a vehicle, in which cannabis is held, stored,  
18 dispensed, sold, produced, delivered, transported,  
19 manufactured, or disposed of and inspect in a reasonable  
20 manner, the place and all pertinent equipment, containers and  
21 labeling, and all things including records, files, financial  
22 data, sales data, shipping data, pricing data, personnel data,  
23 research, papers, processes, controls and facility, and  
24 inventory any stock of cannabis and obtain samples of any  
25 cannabis or cannabis product, any labels or containers for



1 cannabis, or paraphernalia.

2 (c) The Department of Financial and Professional  
3 Regulation may conduct an investigation of an applicant,  
4 application, dispensing organization, principal officer,  
5 dispensary agent, third party vendor or any other party  
6 associated with a dispensing organization for an alleged  
7 violation of this Act or rules or to determine qualifications  
8 to be granted a registration by the Department.

9 (d) The Department of Financial and Professional  
10 Regulation may require an applicant or dispensing organization  
11 to produce documents, records or any other material pertinent  
12 to the investigation of an application or alleged violations of  
13 this Act or rules. Failure to provide the required material may  
14 be grounds for denial or discipline.

15 (e) Every person charged with preparation, obtaining, or  
16 keeping records, logs, reports, or other documents in  
17 connection with this Act and rules and every person in charge,  
18 or having custody, of those documents shall, upon request by  
19 the Department, make the documents immediately available for  
20 inspection and copying by the Department, the Department's  
21 authorized representative, or others authorized by law to  
22 review the documents.

23 Section 15-140. Citations. The Department may issue  
24 nondisciplinary citations for minor violations. Any such  
25 citation issued by the Department may be accompanied by a fee.

1 The fee shall not exceed \$20,000 per violation. The citation  
2 shall be issued to the licensee and shall contain the  
3 licensee's name and address, the licensee's license number, a  
4 brief factual statement, the Sections of the law allegedly  
5 violated, and the fee, if any, imposed. The citation must  
6 clearly state that the licensee may choose, in lieu of  
7 accepting the citation, to request a hearing. If the licensee  
8 does not dispute the matter in the citation with the Department  
9 within 30 days after the citation is served, then the citation  
10 shall become final and not subject to appeal. The penalty shall  
11 be a fee or other conditions as established by rule.

12 Section 15-145. Grounds for discipline.

13 (a) The Department of Financial and Professional  
14 Regulation may deny issuance, refuse to renew, or restore or  
15 may reprimand, place on probation, suspend, revoke, or take  
16 other disciplinary or nondisciplinary action against any  
17 license or agent identification card or may impose a fine for  
18 any of the following:

19 (1) Material misstatement in furnishing information to  
20 the Department;

21 (2) Violations of this Act or rules;

22 (3) Obtaining an authorization or license by fraud or  
23 misrepresentation;

24 (4) A pattern of conduct that demonstrates  
25 incompetence or lack of fitness;

1 (5) Aiding or assisting another person in violating any  
2 provision of this Act or rules;

3 (6) Failing to respond to a written request for  
4 information by the Department within 30 days;

5 (7) Engaging in unprofessional, dishonorable, or  
6 unethical conduct of a character likely to deceive,  
7 defraud, or harm the public;

8 (8) Discipline by another United States jurisdiction  
9 or foreign nation;

10 (9) A finding by the Department that the licensee,  
11 after having his or her license placed on suspended or  
12 probationary status, has violated the terms of the  
13 suspension or probation;

14 (10) Conviction, entry of a plea of guilty, nolo  
15 contendere or the equivalent in a State or federal court of  
16 a principal officer or agent-in-charge to an excluded  
17 offense, a felony, or of 2 or more misdemeanors involving  
18 moral turpitude during the previous 5 years as shown by a  
19 certified copy of a court record;

20 (11) Excessive use or addiction to alcohol, narcotics,  
21 stimulants, or any other chemical agent or drug;

22 (12) A finding by the Department of a discrepancy in a  
23 Department audit of cannabis;

24 (13) A finding by the Department of a discrepancy in a  
25 Department audit of capital or funds;

26 (14) A finding by the Department of acceptance of

1 cannabis from a source other than an Adult Use Cultivation  
2 Center licensed by the Department of Agriculture;

3 (15) An inability to operate using reasonable  
4 judgment, skill, or safety due to physical or mental  
5 illness or other impairment or disability, including  
6 without limitation, deterioration through the aging  
7 process or loss of motor skills or mental incompetence;

8 (16) Failing to report to the Department within the  
9 timeframes established, or if not identified, 14 days, of  
10 any adverse final action taken against the dispensing  
11 organization or an agent by a licensing jurisdiction in any  
12 state or any territory of the United States or any foreign  
13 jurisdiction, any governmental agency, any law enforcement  
14 agency or any court defined in this Section;

15 (17) Failing to comply with a subpoena issued by the  
16 Department;

17 (18) Failure to promptly inform the Department of any  
18 change of address;

19 (19) Disclosing customer names, personal information,  
20 or protected health information in violation of any State  
21 or federal law;

22 (20) Operating a dispensary before obtaining a license  
23 from the Department;

24 (21) Dispensing cannabis when prohibited by this Act or  
25 rules;

26 (22) Any fact or condition that, if it had existed at

1 the time of the original application for the license, would  
2 have warranted the denial of the license;

3 (23) Permitting a person without a valid agent  
4 identification card to be employed by the dispensing  
5 organization;

6 (24) Failure to assign an agent-in-charge as required  
7 by this Article;

8 (25) Personnel insufficient in number or unqualified  
9 in training or experience to properly operate the  
10 dispensary business;

11 (26) Any pattern of activity that causes a harmful  
12 impact on the community; and

13 (27) Failing to prevent diversion, theft, or loss of  
14 cannabis.

15 (b) All fines and fees imposed under this Section shall be  
16 paid within 60 days after the effective date of the order  
17 imposing the fine or as otherwise specified in the order.

18 (c) A circuit court order establishing that an  
19 agent-in-charge or principal officer holding an agent  
20 identification card is subject to involuntary admission as that  
21 term is defined in Sections 1-119 or 1-119.1 of the Mental  
22 Health and Developmental Disabilities Code shall operate as a  
23 suspension of that card.

24 Section 15-150. Temporary suspension.

25 (a) The Secretary of Financial and Professional Regulation

1 may temporarily suspend a dispensing organization license or an  
2 agent registration without a hearing if the Secretary finds  
3 that public safety or welfare requires emergency action. The  
4 Secretary shall cause the temporary suspension by issuing a  
5 suspension notice in connection with the institution of  
6 proceedings for a hearing.

7 (b) If the Secretary temporarily suspends a license or  
8 agent registration without a hearing, the licensee or agent is  
9 entitled to a hearing within 45 days after the suspension  
10 notice has been issued. The hearing shall be limited to the  
11 issues cited in the suspension notice, unless all parties agree  
12 otherwise.

13 (c) If the Department does not hold a hearing with 45 days  
14 after the date the suspension notice was issued, then the  
15 suspended license or registration shall be automatically  
16 reinstated and the suspension vacated.

17 (d) The suspended licensee or agent may seek a continuance  
18 of the hearing date, during which time the suspension remains  
19 in effect and the license or registration shall not be  
20 automatically reinstated.

21 (e) Subsequently discovered causes of action by the  
22 Department after the issuance of the suspension notice may be  
23 filed as a separate notice of violation. The Department is not  
24 precluded from filing a separate cause of action against the  
25 suspended licensee or agent.

1       Section 15-155. Consent to administrative supervision  
2       order. In appropriate cases, the Department of Financial and  
3       Professional Regulation may resolve a complaint against a  
4       licensee or agent through the issuance of a consent order for  
5       administrative supervision. A license or agent subject to a  
6       consent order shall be considered by the Department to hold a  
7       license or registration in good standing.

8       Section 15-160. Notice; hearing.

9       (a) The Department shall, before disciplining an applicant  
10      or licensee, at least 30 days before the date set for the  
11      hearing: (i) notify the accused in writing of the charges made  
12      and the time and place for the hearing on the charges, (ii)  
13      direct him or her to file a written answer to the charges under  
14      oath within 20 days after service, and (iii) inform the  
15      applicant or licensee that failure to answer will result in a  
16      default being entered against the applicant or licensee.

17      (b) At the time and place fixed in the notice, the hearing  
18      officer appointed by the Secretary shall proceed to hear the  
19      charges, and the parties or their counsel shall be accorded  
20      ample opportunity to present any pertinent statements,  
21      testimony, evidence, and arguments. The hearing officer may  
22      continue the hearing from time to time. In case the person,  
23      after receiving the notice, fails to file an answer, his or her  
24      license may, in the discretion of the Secretary, having first  
25      received the recommendation of the hearing officer, be

1 suspended, revoked, or placed on probationary status, or be  
2 subject to whatever disciplinary action the Secretary  
3 considers proper, including a fine, without hearing, if that  
4 act or acts charged constitute sufficient grounds for that  
5 action under this Act.

6 (c) The written notice and any notice in the subsequent  
7 proceeding may be served by regular mail or email to the  
8 licensee's or applicant's address of record.

9 Section 15-165. Subpoenas; oaths. The Department of  
10 Financial and Professional Regulation shall have power to  
11 subpoena and bring before it any person and to take testimony  
12 either orally or by deposition, or both, with the same fees and  
13 mileage and in the same manner as prescribed by law in judicial  
14 proceedings in civil cases in courts in this State. The  
15 Secretary or the hearing officer shall each have power to  
16 administer oaths to witnesses at any hearings that the  
17 Department is authorized to conduct.

18 Section 15-170. Hearing; motion for rehearing.

19 (a) The hearing officer shall hear evidence in support of  
20 the formal charges and evidence produced by the licensee. At  
21 the conclusion of the hearing, the hearing officer shall  
22 present to the Secretary a written report of his or her  
23 findings of fact, conclusions of law, and recommendations.

24 (b) At the conclusion of the hearing, a copy of the hearing



1 officer's report shall be served upon the applicant or licensee  
2 by the Department, either personally or as provided in this Act  
3 for the service of a notice of hearing. Within 20 calendar days  
4 after service, the applicant or licensee may present to the  
5 Department a motion in writing for rehearing, which shall  
6 specify the particular grounds for rehearing. The Department  
7 may respond to the motion for rehearing within 20 calendar days  
8 after its service on the Department. If no motion for rehearing  
9 is filed, then upon the expiration of the time specified for  
10 filing such motion, or upon denial of a motion for rehearing,  
11 the Secretary may enter an order in accordance with the  
12 recommendation of the hearing officer. If the applicant or  
13 licensee orders from the reporting service and pays for a  
14 transcript of the record within the time for filing a motion  
15 for rehearing, the 20-day period within which a motion may be  
16 filed shall commence upon the delivery of the transcript to the  
17 applicant or licensee.

18 (c) If the Secretary disagrees in any regard with the  
19 report of the hearing officer, the Secretary may issue an order  
20 contrary to the report.

21 (d) Whenever the Secretary is not satisfied that  
22 substantial justice has been done, the Secretary may order a  
23 rehearing by the same or another hearing officer.

24 (e) At any point in any investigation or disciplinary  
25 proceeding under in this Article, both parties may agree to a  
26 negotiated consent order. The consent order shall be final upon

1 signature of the Secretary.

2 Section 15-175. Review under the Administrative Review  
3 Law.

4 (a) All final administrative decisions of the Department  
5 hereunder shall be subject to judicial review under the  
6 provisions of the Administrative Review Law, and all amendment  
7 and modifications thereof. The term "administrative decision"  
8 is defined as in Section 3-101 of the Code of Civil Procedure.

9 (b) Proceedings for judicial review shall be commenced in  
10 the circuit court of the county in which the party applying for  
11 review resides, but if the party is not a resident of Illinois,  
12 the venue shall be in Sangamon County.

13 (c) The Department shall not be required to certify any  
14 record to the court, file any answer in court or otherwise  
15 appear in any court in a judicial review proceeding, unless and  
16 until the Department has received from the plaintiff payment of  
17 the costs of furnishing and certifying the record, which costs  
18 shall be determined by the Department. Failure on the part of  
19 the plaintiff to file a receipt in court shall be grounds for  
20 dismissal of the action.

21 ARTICLE 20.

22 ADULT USE CULTIVATION CENTERS

23 Section 20-5. Issuance of licenses. On or after January 1,

1 2021, the Department of Agriculture by rule may:

2 (1) Modify or change the number of cultivation center  
3 licenses available, which shall at no time exceed 30  
4 cultivation center licenses. In determining whether to  
5 exercise the authority granted by this subsection, the  
6 Department of Agriculture must consider the following  
7 factors:

8 (A) The percentage of cannabis sales occurring in  
9 Illinois not in the regulated market using data from  
10 the Substance abuse and Mental Health Services  
11 Administration, National Survey on Drug Use and  
12 Health, Illinois Behavioral Risk Factor Surveillance  
13 System, and tourism data from the Illinois Office of  
14 Tourism to ascertain total cannabis consumption in  
15 Illinois compared to the amount of sales in licensed  
16 dispensing organizations;

17 (B) Whether there is an adequate supply of cannabis  
18 and cannabis-infused products to serve registered  
19 medical cannabis patients;

20 (C) Whether there is an adequate supply of cannabis  
21 and cannabis-infused products to serve purchasers;

22 (D) Whether there is an oversupply of cannabis in  
23 Illinois leading to trafficking of cannabis to states  
24 where the sale of cannabis is not permitted by law;

25 (E) Population increases or shifts;

26 (F) Changes to federal law;

1 (G) Perceived security risks of increasing the  
2 number or location of cultivation centers;

3 (H) The past security records of cultivation  
4 centers;

5 (I) The Department of Agriculture's capacity to  
6 appropriately regulate additional licensees;

7 (J) The findings and recommendations from the  
8 disparity and availability study commissioned by the  
9 Department of Commerce and Economic Opportunity  
10 referenced in subsection (e) of Section 5-45 to reduce  
11 or eliminate any identified barriers to entry in the  
12 cannabis industry; and

13 (K) Any other criteria the Department of  
14 Agriculture deems relevant.

15 (2) Modify or change the licensing application process  
16 to reduce or eliminate the barriers identified in the  
17 disparity and availability study commission by the  
18 Illinois Cannabis Regulation Oversight Officer and shall  
19 make modifications to remedy evidence of discrimination.

20 Section 20-10. Early Approval of Adult Use Cultivation  
21 Center License.

22 (a) Any medical cannabis cultivation center registered and  
23 in good standing under the Compassionate Use of Medical  
24 Cannabis Pilot Program Act may, within 60 days of the effective  
25 date of this Act, apply to the Department of Agriculture for an

1 Early Approval Adult Use Cultivation Center License to produce  
2 cannabis and cannabis products at its existing facilities as of  
3 the effective date of this Act.

4 (b) A medical cannabis cultivation center seeking issuance  
5 of an Early Approval Adult Use Cultivation Center License shall  
6 submit an application on forms provided by the Department of  
7 Agriculture. The application must meet the following  
8 qualifications:

9 (1) Includes payment of a nonrefundable permit fee of  
10 \$100,000 to be deposited in the Cannabis Regulation Fund;

11 (2) Proof of registration as a medical cannabis  
12 cultivation center that is in good standing;

13 (3) Submission of the application by the same person or  
14 entity that holds the medical cannabis cultivation center  
15 registration;

16 (4) Certification that the applicant will comply with  
17 the requirements of Section 20-30;

18 (5) Include the legal name of the cultivation center;

19 (6) Include the physical address of the cultivation  
20 center;

21 (7) The name, address, social security number, and date  
22 of birth of each principal officer and board member of the  
23 cultivation center; each of those individuals shall be at  
24 least 21 years of age;

25 (8) A nonrefundable Cannabis Business Development fee  
26 equal to 5% of the cultivation center's total sales between

1 July 1, 2018 to July 1, 2019 or \$500,000, whichever is  
2 less, but at not less than \$100,000, to be deposited in the  
3 Cannabis Business Development Fund; and

4 (9) Commit to completing one of the following Social  
5 Equity Inclusion Plans provided for in this subsection (b)  
6 before the expiration of the Early Approval Adult Use  
7 Dispensing Organization License:

8 (A) A contribution of 5% of the cultivation  
9 center's total sales from June 1, 2018, to June 1,  
10 2019, or \$100,000, whichever is less, to one of the  
11 following:

12 (i) the Cannabis Business Development Fund.  
13 This is in addition to the fee required by item (8)  
14 of subsection (b) of this Section;

15 (ii) a cannabis industry training or education  
16 program at an Illinois community college as  
17 defined in the Public Community College Act;

18 (iii) a program that provides job training  
19 services to persons recently incarcerated or that  
20 operate in a Disproportionately Impacted Area.

21 (B) Participate as a host in a cannabis business  
22 incubator program approved by the Department of  
23 Commerce and Economic Opportunity, and in which an  
24 Early Approval Adult Use Cultivation Center License  
25 holder agrees to provide a loan of at least \$100,000  
26 and mentorship to incubate a licensee that qualifies as

1 a Social Equity Applicant for at least a year. As used  
2 here, incubate means providing direct financial  
3 assistance and training necessary to engage in  
4 licensed cannabis industry activity similar to that of  
5 the host licensee. The Early Approval Adult Use  
6 Cultivation Center License holder or the same entity  
7 holding any other licenses issued pursuant to this Act  
8 shall not take an ownership stake of greater than 10%  
9 in any business receiving incubation services to  
10 comply with this subsection. If an Early Approval Adult  
11 Use Cultivation Center License holder fails to find a  
12 business to incubate to comply with this subsection  
13 before its Early Approval Adult Use Cultivation Center  
14 License expires, it may opt to meet the requirement of  
15 this subsection by completing another item from this  
16 subsection prior to the expiration of its Early  
17 Approval Adult Use Cultivation Center License to avoid  
18 a penalty.

19 (c) An Early Approval Adult Use Cultivation Center License  
20 shall be valid until March 31, 2021. A cultivation center that  
21 obtains an Early Approval Adult Use Cultivation Center License  
22 shall receive written or electronic notice 90 days before the  
23 expiration of the license that the license will expire, and  
24 inform the license holder that it may apply for an Adult Use  
25 Cultivation Center License. The Department of Agriculture  
26 shall grant an Adult Use Cultivation Center License within 45

1 days of submission of an application if:

2 (1) the cultivation center submits an application and  
3 the required nonrefundable fee of \$30,000 for an Adult Use  
4 Cultivation Center License;

5 (2) the Department of Agriculture has not suspended the  
6 license of the cultivation center or suspended or revoked  
7 the license for violating this Act or rules adopted under  
8 this Act; and

9 (3) the dispensing organization has completed a Social  
10 Equity Inclusion Plan as required by item (8) of subsection  
11 (b) of this Section.

12 (d) The license fee required by paragraph (1) of subsection  
13 (c) of this Section shall be in addition to any license fee  
14 required for the renewal of a registered medical cannabis  
15 cultivation center license that expires during the effective  
16 period of the Early Approval Adult Use Cultivation Center  
17 License.

18 (e) Applicants must submit all required information,  
19 including the requirements in subsection (b) of this Section to  
20 the Department of Agriculture. Failure by an applicant to  
21 submit all required information may result in the application  
22 being disqualified.

23 (f) If the Department of Agriculture receives an  
24 application with missing information, the Department may issue  
25 a deficiency notice to the applicant. The applicant shall have  
26 10 calendar days from the date of the deficiency notice to



1 submit complete information. Applications that are still  
2 incomplete after this opportunity to cure may be disqualified.

3 (g) If an applicant meets all the requirements of  
4 subsection (b) of this Section, the Department of Agriculture  
5 shall issue the Early Approval Adult Use Cultivation Center  
6 License within 14 days of receiving the application unless:

7 (1) The licensee; principal officer, board member, or  
8 person having a financial or voting interest of 5% or  
9 greater in the licensee; or agent is delinquent in filing  
10 any required tax returns or paying any amounts owed to the  
11 State of Illinois; or

12 (2) The Director of Agriculture determines there is  
13 reason, based on an inordinate number of documented  
14 compliance violations, the licensee is not entitled to an  
15 Early Approval Adult Use Cultivation Center License; or

16 (3) The licensee fails to commit to the community  
17 benefits program.

18 (h) A cultivation center that obtains an Early Approval  
19 Adult Use Cultivation Center License may begin producing  
20 cannabis and cannabis products once the dual use application is  
21 approved. A cultivation center that obtains an Early Approval  
22 Adult Use Cultivation Center License may begin selling cannabis  
23 and cannabis products on September 1, 2019.

24 (i) An Early Approval Adult Use Cultivation Center License  
25 holder must continue to produce and provide an adequate supply  
26 of cannabis and cannabis-infused products for purchase by

1 qualifying patients and caregivers. For the purposes of this  
2 subsection, adequate supply means a monthly production level  
3 that is comparable in type and quantity to those medical  
4 cannabis products produced for patients and caregivers on an  
5 average monthly basis for the 6 months before the effective  
6 date of this Act.

7 (j) If there is a shortage of cannabis or cannabis-infused  
8 products, a license holder shall prioritize patients  
9 registered under the Compassionate Use of Medical Cannabis  
10 Pilot Program Act over adult use purchasers.

11 (k) A cultivation center that obtains an Early Approval  
12 Adult Use Cultivation Center License shall receive written or  
13 electronic notice 90 days before the expiration of the license  
14 that the license will expire, and inform the license holder  
15 that it may apply for an Adult Use Cultivation Center License.  
16 The Department of Agriculture shall grant an Adult Use  
17 Cultivation Center License within 45 days of submission of an  
18 application for an Adult Use Cultivation Center from a  
19 recipient of an Early Approval Adult Use Cultivation License  
20 Holder if:

21 (1) the cultivation center submits an application and  
22 the required nonrefundable fee for an Adult Use Cultivation  
23 Center License;

24 (2) the Department of Agriculture has not suspended the  
25 license of the dispensing organization or suspended or  
26 revoked the license for violating this Act or rules adopted

1 under this Act; and

2 (3) the cultivation center has completed a Community  
3 Benefits Plan as required by paragraph (9) of subsection  
4 (b) of this Section.

5 (1) If a cultivation center fails to submit an application  
6 for an Adult Use Cultivation Center License before the  
7 expiration of the Early Approval Adult Use Cultivation Center  
8 License, the dispensing organization shall cease serving  
9 purchasers operations until it receives an Adult Use  
10 Cultivation Center License.

11 (m) A cultivation center agent who holds a valid  
12 cultivation center agent identification card issued under the  
13 Compassionate Use of Medical Cannabis Pilot Program Act and is  
14 an officer, director, manager, or employee of the cultivation  
15 center licensed under this Section may engage in all activities  
16 authorized by this Article to be performed by a cultivation  
17 center agent.

18 (n) If the Department of Agriculture suspends or revokes  
19 the Early Approval Adult Use Cultivation Center License of a  
20 cultivation center under Act that also holds a medical cannabis  
21 cultivation center license issued under the Compassionate Use  
22 of Medical Cannabis Pilot Program Act, the Department of  
23 Agriculture shall suspend or revoke the medical cannabis  
24 cultivation center license concurrently with the Early  
25 Approval Adult Use Cultivation Center License.

26 (o) All fees or fines collected from an Early Approval

1 Adult Use Cultivation Center License holder as a result of a  
2 disciplinary action in the enforcement of this Act shall be  
3 deposited into the Cannabis Regulation Fund.

4 Section 20-15. Application.

5 (a) If the Department of Agriculture makes available  
6 additional cultivation center licenses, applicants for a  
7 cultivation center license, the applicant shall electronically  
8 submit the following in such form as the Department of  
9 Agriculture may direct:

10 (1) the nonrefundable application fee set by rule by  
11 the Department of Agriculture, to be deposited into the  
12 Cannabis Regulation Fund;

13 (2) the legal name of the cultivation center;

14 (3) the proposed physical address of the cultivation  
15 center;

16 (4) the name, address, Social Security Number, and date  
17 of birth of each principal officer and board member of the  
18 cultivation center; each principal officer and board  
19 member shall be at least 21 years of age;

20 (5) the details of any administrative or judicial  
21 proceeding in which any of the principal officers or board  
22 members of the cultivation center (i) pled guilty, were  
23 convicted, fined, or had a registration or license  
24 suspended or revoked, or (ii) managed or served on the  
25 board of a business or non-profit organization that pled

1 guilty, was convicted, fined, or had a registration or  
2 license suspended or revoked;

3 (6) proposed operating bylaws that include procedures  
4 for the oversight of the cultivation center, including the  
5 development and implementation of a plant monitoring  
6 system, accurate recordkeeping, staffing plan, and  
7 security plan approved by the Department of State Police  
8 that are in accordance with the rules issued by the  
9 Department of Agriculture under this Act. A physical  
10 inventory shall be performed of all plants and cannabis on  
11 a weekly basis by the cultivation center;

12 (7) verification from the Department of State Police  
13 that all background checks of the prospective principal  
14 officers, board members, and agents of the cannabis  
15 establishment have been conducted and those persons have  
16 not been convicted of an excluded offense;

17 (8) a copy of the current local zoning ordinance or  
18 permit and verification that the proposed cultivation  
19 center is in compliance with the local zoning rules and  
20 distance limitations established by the local  
21 jurisdiction;

22 (9) proposed employment practices, in which the  
23 applicant must demonstrate a plan of action to inform,  
24 hire, and educate minorities, women, veterans, and persons  
25 with disabilities and engage in fair labor practices and  
26 provide worker protections;

1           (10) whether an applicant can demonstrate experience  
2           in or business practices that promote economic empowerment  
3           in Disproportionately Impacted Areas;

4           (11) experience with the cultivation of agricultural  
5           or horticultural products, operating an agriculturally  
6           related business, or operating a horticultural business;

7           (12) whether the applicant consents to a labor peace  
8           agreement. The applicant may attest that the applicant has  
9           entered into a labor peace agreement and will abide by the  
10          terms of the agreement. The applicant may submit a copy of  
11          the page of the labor peace agreement that contains the  
12          signatures of the union representative and the applicant;

13          (13) a description of the enclosed, locked facility  
14          where cannabis will be grown, harvested, manufactured,  
15          processed, packaged, or otherwise prepared for  
16          distribution to a dispensing organization;

17          (14) a survey of the enclosed, locked facility,  
18          including the space used for cultivation;

19          (15) cultivation, processing, inventory, and packaging  
20          plans;

21          (16) a description of the applicant's experience with  
22          agricultural cultivation techniques and industry  
23          standards;

24          (17) a list of any academic degrees, certifications, or  
25          relevant experience of all prospective principal officers,  
26          board members, and agents with related businesses;

1 (18) the identity of every person having a financial or  
2 voting interest of 5% or greater in the cultivation center  
3 operation with respect to which the license is sought,  
4 whether a trust, corporation, partnership, limited  
5 liability company, or sole proprietorship, including the  
6 name and address of each person;

7 (19) a plan describing how the cultivation center will  
8 address each of the following:

9 (i) energy needs, including estimates of monthly  
10 electricity and gas usage, to what extent it will  
11 procure energy from a local utility or from on-site  
12 generation, and if it has or will adopt a sustainable  
13 energy use and energy conservation policy;

14 (ii) water needs, including estimated water draw  
15 and if it has or will adopt a sustainable water use and  
16 water conservation policy; and

17 (iii) waste management, including if it has or will  
18 adopt a waste reduction policy;

19 (20) a diversity plan which includes a narrative of not  
20 more than 2,500 words that establishes a goal of diversity  
21 in ownership, management, employment, and contracting to  
22 ensure that diverse participants and groups are afforded  
23 equality of opportunity; and

24 (21) any other information required by rule.

25 (b) Applicants must submit all required information,  
26 including that required in Section 20-10 to the Department of

1 Agriculture. Failure by an applicant to submit all required  
2 information may result in the application being disqualified.

3 (c) If the Department of Agriculture receives an  
4 application with missing information, the Department of  
5 Agriculture may issue a deficiency notice to the applicant. The  
6 applicant shall have 10 calendar days from the date of the  
7 deficiency notice to resubmit the incomplete information.  
8 Applications that are still incomplete after this opportunity  
9 to cure, will not be scored and will be disqualified.

10 (d) An applicant may submit for further consideration:

11 (1) A recycling plan.

12 (A) Any recyclable waste generated by the cannabis  
13 cultivation facility shall be recycled per applicable  
14 State and local laws, ordinances, and rules.

15 (B) Any cannabis waste, liquid waste, or hazardous  
16 waste shall be disposed of in accordance with 8 Ill.  
17 Adm. Code 1000.460, except, to the greatest extent  
18 feasible, all cannabis plant waste will be rendered  
19 unusable by grinding and incorporating the cannabis  
20 plant waste with compostable mixed waste to be disposed  
21 of in accordance with 8 Ill Adm. Code 1000.460(g) (1).

22 (2) Commitment to comply with local waste provisions: a  
23 cultivation facility must remain in compliance with  
24 applicable State and federal environmental requirements,  
25 including, but not limited to:

26 (A) storing, securing, and managing all



1 recyclables and waste, including organic waste  
2 composed of or containing finished cannabis and  
3 cannabis products, in accordance with applicable State  
4 and local laws, ordinances, and rules, and

5 (B) Disposing liquid waste containing cannabis or  
6 byproducts of cannabis processing in compliance with  
7 all applicable State and federal requirements,  
8 including, but not limited to, the cannabis  
9 cultivation facility's permits under Title X of the  
10 Environmental Protection Act.

11 (3) A commitment to a technology standard for resource  
12 efficiency of the cultivation center or craft grow  
13 facility.

14 (A) A cannabis cultivation facility commits to use  
15 resources efficiently, including energy and water. For  
16 the following, a cannabis cultivation facility commits  
17 to meet or exceed the technology standard identified in  
18 paragraphs (ii), (iii), and (iv), which may be modified  
19 by rule:

- 20 (i) lighting systems, including light bulbs,  
21 (ii) HVAC system,  
22 (iii) water application system to the crop,  
23 and  
24 (iv) filtration system for removing  
25 contaminants from wastewater.

26 (B) Lighting. The Lighting Power Densities (LPD)

1 for cultivation space commits to not exceed an average  
2 of 36 watts per gross square foot of active and growing  
3 space canopy, or all installed lighting technology  
4 shall meet a photosynthetic photon efficacy (PPE) of no  
5 less than 2.2 micromoles per joule fixture and shall be  
6 featured on the DesignLights Consortium (DLC)  
7 Horticultural Specification Qualified Products List  
8 (QPL). In the event that DLC requirement for minimum  
9 efficacy exceeds 2.2 micromoles per joule fixture,  
10 that PPE shall become the new standard.

11 (C) HVAC.

12 (i) For cannabis grow operations with less  
13 than 6,000 square feet of canopy, the licensee  
14 commits that all HVAC units will be  
15 high-efficiency ductless split HVAC units, or  
16 other more energy efficient equipment.

17 (ii) For cannabis grow operations with 6,000  
18 square feet of canopy or more, the licensee commits  
19 that all HVAC units will be variable refrigerant  
20 flow HVAC units, or other more energy efficient  
21 equipment.

22 (D) Water application.

23 (i) The cannabis cultivation facility commits  
24 to use automated watering systems, including, but  
25 not limited to, drip irrigation and flood tables,  
26 to irrigate cannabis crop.

1 (ii) The cannabis cultivation facility commits  
2 to measure runoff from watering events and report  
3 this volume in its water usage plan, and that on  
4 average, watering events shall have no more than  
5 20% of runoff of water.

6 (E) Filtration. The cultivator commits that HVAC  
7 condensate, dehumidification water, excess runoff, and  
8 other wastewater produced by the cannabis cultivation  
9 facility shall be captured and filtered to the best of  
10 the facility's ability to achieve the quality needed to  
11 be reused in subsequent watering rounds.

12 (4) The existence of a labor peace agreement.

13 (A) For an applicant with 20 or more employees, the  
14 applicant may attest that the applicant has entered  
15 into a labor peace agreement and will abide by the  
16 terms of the agreement. The applicant shall submit a  
17 copy of the page of the labor peace agreement that  
18 contains the signatures of the union representative  
19 and the applicant. Maintaining a labor peace agreement  
20 shall be an ongoing material condition of a cannabis  
21 business license.

22 (B) Applicants that are party to a labor peace  
23 agreement with a bona fide labor organization that  
24 currently represents, or is actively seeking to  
25 represent cannabis workers in Illinois.

26 (C) Applicants that submit an attestation

1 affirming that they will use best efforts to use union  
2 labor in the construction or retrofit of the facilities  
3 associated with their cannabis business.

4 Section 20-20. Scoring applications.

5 (a) The Department of Agriculture shall by rule develop a  
6 system to score cultivation center applications to  
7 administratively rank applications based on the clarity,  
8 organization and quality of the applicant's responses to  
9 required information. Applicants shall be awarded points  
10 according based on the following categories:

11 (1) Suitability of the proposed facility;

12 (2) Proposed staffing and consent to enter a peace  
13 labor agreement with employees;

14 (3) Security Plan;

15 (4) Cultivation Plan;

16 (5) Product Safety and Labeling Plan;

17 (6) Business Plan;

18 (7) The applicant's status as a Social Equity  
19 Applicant, which shall constitute no less than 12.5% of  
20 total available points;

21 (8) Bonus points based on the applicant's (i) plan to  
22 perform research, (ii) use environmentally friendly  
23 practices, (iii) engage in philanthropic efforts; (iv) the  
24 existence of a labor peace agreement, and (v) the applicant  
25 is 51% or more owned and controlled by an individual or

1 individuals who have been an Illinois resident for the past  
2 5 years as proved by tax records; and

3 (9) any other criteria the Department of Agriculture  
4 may set by rule for points or bonus points.

5 (b) Should the applicant be awarded a cultivation center  
6 license, the information and plans that an applicant provided  
7 in its application, including any plans submitted for the  
8 acquiring of bonus points, becomes a mandatory condition of the  
9 permit. Any variation from or failure to perform such plans may  
10 result in discipline, including the revocation or nonrenewal of  
11 a license.

12 (c) Should the applicant be awarded a cultivation center  
13 license, it shall pay a fee of \$100,000 prior to receiving the  
14 license, to be deposited into the Cannabis Regulation Fund. The  
15 Department of Agriculture may by rule adjust the fee in this  
16 Section after January 1, 2021.

17 Section 20-25. Denial of application. An application for a  
18 cultivation center license must be denied if any of the  
19 following conditions are met:

20 (1) the applicant failed to submit the materials  
21 required by this Article;

22 (2) the applicant would not be in compliance with local  
23 zoning rules;

24 (3) one or more of the prospective principal officers  
25 or board members has been convicted of an excluded offense;

1           (4) one or more of the prospective principal officers,  
2           or board members causes a violation of Section 20-30 of  
3           this Article;

4           (5) one or more of the principal officers or board  
5           members is under 21 years of age;

6           (6) a principal officer or board member of the  
7           cultivation center has been convicted of a felony under the  
8           laws of this State, any other State, or the United States;

9           (7) a principal officer or board member of the  
10          cultivation center has been convicted of any violation of  
11          Article 28 of the Criminal Code of 2012, or substantially  
12          similar laws of any other jurisdiction;

13          (8) the person has submitted an application for a  
14          permit under this Act that contains false information; or

15          (9) the licensee, principal officer, board member, or  
16          person having a financial or voting interest of 5% or  
17          greater in the licensee, or the agent is delinquent in  
18          filing any required tax returns or paying any amounts owed  
19          to the State of Illinois.

20          Section 20-30. Cultivation center requirements;  
21          prohibitions.

22          (a) The operating documents of a cultivation center shall  
23          include procedures for the oversight of the cultivation center  
24          a cannabis plant monitoring system including a physical  
25          inventory recorded weekly, accurate recordkeeping, and a

1 staffing plan.

2 (b) A cultivation center shall implement a security plan  
3 reviewed by the Department of State Police that includes, but  
4 is not limited to: facility access controls, perimeter  
5 intrusion detection systems, personnel identification systems,  
6 24-hour surveillance system to monitor the interior and  
7 exterior of the cultivation center facility and accessible to  
8 authorized law enforcement, the Department of Public Health  
9 where processing takes place, and the Department of Agriculture  
10 in real time.

11 (c) All cultivation of cannabis by a cultivation center  
12 must take place in an enclosed, locked facility at the physical  
13 address provided to the Department of Agriculture during the  
14 licensing process. The cultivation center location shall only  
15 be accessed by the agents working for the cultivation center  
16 the Department of Agriculture staff performing inspections,  
17 the Department of Public Health staff performing inspections,  
18 law enforcement or other emergency personnel, contractors  
19 working on jobs unrelated to cannabis, such as installing or  
20 maintaining security devices or performing electrical wiring,  
21 transporting organization agents as provided in this Act,  
22 individuals in a mentoring or educational program approved by  
23 the State, or other individuals as provided by rule.

24 (d) A cultivation center may not sell or distribute any  
25 cannabis or cannabis-infused products to any person other than  
26 a dispensing organization, processing organization, or as

1 otherwise authorized by rule.

2 (e) A cultivation center may not either directly or  
3 indirectly discriminate in price between different dispensing  
4 organizations that are purchasing a like grade, strain, brand,  
5 and quality of cannabis or cannabis-infused product. Nothing in  
6 this subsection (e) prevents a cultivation centers from pricing  
7 cannabis differently based on differences in the cost of  
8 manufacturing or processing, the quantities sold, such as  
9 volume discounts, or the way the products are delivered.

10 (f) All cannabis harvested by a cultivation center and  
11 intended for distribution to a dispensing organization must be  
12 entered into a data collection system, packaged and labeled  
13 under section (section on package and label section number),  
14 and placed into a cannabis container for transport. All  
15 cannabis harvested by a cultivation center and intended for  
16 distribution to a processing organization must be packaged in a  
17 labeled cannabis container and entered into a data collection  
18 system before transport.

19 (g) No person who has been convicted of or pled guilty to  
20 an excluded offense may be a cultivation center agent.

21 (h) Cultivation centers are subject to random inspections  
22 by the Department of Agriculture, the Department of Public  
23 Health, and the Department of State Police.

24 (i) A cultivation center agent shall notify local law  
25 enforcement, the Department of State Police, and the Department  
26 of Agriculture within 24 hours of the discovery of any loss or



1 theft. Notification shall be made by phone or in person, or by  
2 written or electronic communication.

3 (j) A cultivation center shall comply with all State and  
4 any applicable federal rules and regulations regarding the use  
5 of pesticides on cannabis plants.

6 (k) No person or entity shall hold any legal, equitable,  
7 ownership, or beneficial interest, directly or indirectly, of  
8 more than 3 cultivation centers licensed under this Article.  
9 Further, no person or entity who is employed by, an agent of,  
10 has a contract to receive payment in any form from a  
11 cultivation center, is a principal officer of a cultivation  
12 center, or entity controlled by or affiliated with a principal  
13 officer of a cultivation shall hold any legal, equitable,  
14 ownership, or beneficial interest, directly or indirectly, in a  
15 cultivation that would result in the person or entity owning or  
16 controlling in combination with any cultivation center,  
17 principal officer of a cultivation center, or entity controlled  
18 or affiliated with a principal officer of a cultivation center  
19 by which he, she, or it is employed, is an agent of, or has a  
20 contract to receive payment from, more than 3 cultivation  
21 center licenses.

22 (l) A cultivation center may not contain more than 100,000  
23 square feet of canopy space for cultivation of cannabis.

24 (m) A cultivation center may process cannabis, cannabis  
25 concentrates, and cannabis-infused products.

26 (n) Beginning July 1, 2020, a cultivation center shall not

1 transport cannabis to a craft grower, dispensing organization,  
2 processing organization, or laboratory licensed under this  
3 Act, unless it has obtained a transporting organization  
4 license.

5 (o) It is unlawful for any person having a cultivation  
6 center license or any officer, associate, member,  
7 representative or agent of such licensee to offer or deliver  
8 money, or anything else of value, directly or indirectly to any  
9 person having an Early Applicant Adult Use Dispensing  
10 Organization License, an Adult Use Dispensing Organization  
11 License, or a medical cannabis dispensing organization license  
12 issued under the Compassionate Use of Medical Cannabis Pilot  
13 Program Act, or to any person connected with or in any way  
14 representing, or to any member of the family of, such person  
15 holding an Early Applicant Adult Use Dispensing Organization  
16 License, an Adult Use Dispensing Organization License, or a  
17 medical cannabis dispensing organization license issued under  
18 the Compassionate Use of Medical Cannabis Pilot Program Act, or  
19 to any stockholders in any corporation engaged the retail sales  
20 of cannabis, or to any officer, manager, agent or  
21 representative of said Early Applicant Adult Use Dispensing  
22 Organization License, an Adult Use Dispensing Organization  
23 License, or a medical cannabis dispensing organization license  
24 issued under the Compassionate Use of Medical Cannabis Pilot  
25 Program Act to obtain preferential placement within the  
26 dispensing organization, including without limitation on

1 shelves and in display cases where purchasers can view  
2 products, or on the dispensing organization's website.

3 (p) Any other requirements or prohibitions set by  
4 Department of Agriculture rules.

5 Section 20-35. Cultivation center agent identification  
6 card.

7 (a) The Department of Agriculture shall:

8 (1) establish by rule the information required in an  
9 initial application or renewal application for an agent  
10 identification card submitted under this Act and the  
11 nonrefundable fee to accompany the initial application or  
12 renewal application;

13 (2) verify the information contained in an initial  
14 application or renewal application for an agent  
15 identification card submitted under this Act, and approve  
16 or deny an application within 30 days of receiving a  
17 completed initial application or renewal application and  
18 all supporting documentation required by rule;

19 (3) issue an agent identification card to a qualifying  
20 agent within 15 business days of approving the initial  
21 application or renewal application;

22 (4) enter the license number of the craft grower where  
23 the agent works; and

24 (5) allow for an electronic initial application and  
25 renewal application process, and provide a confirmation by

1 electronic or other methods that an application has been  
2 submitted. Each Department may by rule require prospective  
3 agents to file their applications by electronic means and  
4 to provide notices to the agents by electronic means.

5 (b) An agent must keep his or her identification card  
6 visible at all times when on the property of a cannabis  
7 establishment including the cannabis establishment for which  
8 he or she is an agent.

9 (c) The agent identification cards shall contain the  
10 following:

11 (1) the name of the cardholder;

12 (2) the date of issuance and expiration date of the  
13 identification card;

14 (3) a random 10-digit alphanumeric identification  
15 number containing at least 4 numbers and at least 4 letters  
16 that is unique to the holder;

17 (4) a photograph of the cardholder; and

18 (5) the legal name of the cannabis establishment  
19 employing the agent.

20 (d) An agent identification card shall be immediately  
21 returned to the cannabis establishment of the agent upon  
22 termination of his or her employment.

23 (e) Any agent identification card lost by a cultivation  
24 center agent shall be reported the Department of State Police  
25 and the Department of Agriculture immediately upon discovery of  
26 the loss.

1 (f) An applicant for an agent identification card shall be  
2 denied if he or she has been convicted of or pled guilty to an  
3 excluded offense.

4 (g) The Department of Agriculture shall not issue an agent  
5 identification card if the applicant is delinquent in filing  
6 any required tax returns or paying any amounts owed to the  
7 State of Illinois.

8 Section 20-40. Cultivation center background checks.

9 (a) Through the Department of State Police, the licensing  
10 or issuing Department shall conduct a background check of the  
11 prospective principal officers, board members, and agents of a  
12 cultivation center applying for a license or identification  
13 card under this Act. The Department of State Police shall  
14 charge a fee set by rule for conducting the criminal history  
15 record check, which shall be deposited into the State Police  
16 Services Fund and shall not exceed the actual cost of the  
17 record check. In order to carry out this provision, each  
18 cannabis establishment prospective principal officer, board  
19 member, or agent shall submit a full set of fingerprints to the  
20 Department of State Police for the purpose of obtaining a State  
21 and federal criminal records check. These fingerprints shall be  
22 checked against the fingerprint records now and hereafter, to  
23 the extent allowed by law, filed in the Department of State  
24 Police and Federal Bureau of Investigation criminal history  
25 records databases. The Department of State Police shall

1 furnish, following positive identification, all conviction  
2 information to the Department of Agriculture.

3 (b) When applying for the initial license or identification  
4 card, the background checks for all prospective principal  
5 officers, board members, and agents shall be completed before  
6 submitting the application to the licensing or issuing agency.

7 Section 20-45. Renewal of cultivation center licenses and  
8 agent identification cards.

9 (a) Licenses and identification cards issued under this Act  
10 shall be renewed annually. A cultivation center shall receive  
11 written or electronic notice 90 days before the expiration of  
12 its current license that the license will expire. The  
13 Department of Agriculture shall grant a renewal within 45 days  
14 of submission of a renewal application if:

15 (1) the cultivation center submits a renewal  
16 application and the required nonrefundable renewal fee of  
17 \$100,000, or another amount as the Department of  
18 Agriculture may set by rule after January 1, 2021, to be  
19 deposited into the Cannabis Regulation Fund.

20 (2) the Department of Agriculture has not suspended the  
21 license of the cultivation center or suspended or revoked  
22 the license for violating this Act or rules adopted under  
23 this Act; and

24 (3) the cultivation center has continued to operate in  
25 accordance with all plans submitted as part of its

1 application and approved by the Department of Agriculture  
2 or any amendments thereto that have been approved by the  
3 Department of Agriculture.

4 (b) If a cultivation center fails to renew its license  
5 before expiration, it shall cease operations until its license  
6 is renewed.

7 (c) If a cultivation center agent fails to renew his or her  
8 identification card before its expiration, he or she shall  
9 cease to work as an agent of the cannabis business  
10 establishment until his or her identification card is renewed.

11 (d) Any cultivation center that continues to operate, or  
12 any cultivation center agent who continues to work as an agent,  
13 after the applicable license or identification card has expired  
14 without renewal are subject to the penalties provided under  
15 Section 45-5.

16 ARTICLE 30.

17 CRAFT GROWERS

18 Section 30-5. Issuance of licenses.

19 (a) The Department of Agriculture shall issue up to 40  
20 craft grower licenses by July 1, 2020.

21 (b) By December 21, 2021, the Department of Agriculture  
22 shall issue up to 60 additional craft grower licenses. Prior to  
23 issuing such licenses, the Department may adopt rules through  
24 emergency rulemaking in accordance with subsection (gg) of

1 Section 5-45 of the Illinois Administrative Procedure Act, to  
2 modify or raise the number of craft grower licenses assigned to  
3 each region and modify or change the licensing application  
4 process to reduce or eliminate barriers. The General Assembly  
5 finds that the adoption of rules to regulate cannabis use is  
6 deemed an emergency and necessary for the public interest,  
7 safety and welfare. In determining whether to exercise either  
8 authority granted by this subsection, the Department of  
9 Agriculture must consider the following factors:

10 (1) The percentage of cannabis sales occurring in  
11 Illinois not in the regulated market using data from the  
12 Substance abuse and Mental Health Services Administration,  
13 National Survey on Drug Use and Health, Illinois Behavioral  
14 Risk Factor Surveillance System, and tourism data from the  
15 Illinois Office of Tourism to ascertain total cannabis  
16 consumption in Illinois compared to the amount of sales in  
17 licensed dispensing organizations;

18 (2) Whether there is an adequate supply of cannabis and  
19 cannabis-infused products to serve registered medical  
20 cannabis patients;

21 (3) Whether there is an adequate supply of cannabis and  
22 cannabis-infused products to serve purchasers;

23 (4) Whether there is an oversupply of cannabis in  
24 Illinois leading to trafficking of cannabis to states where  
25 the sale of cannabis is not permitted by law;

26 (5) Population increases or shifts;



1 (6) The density of craft growers in any area of the  
2 State;

3 (7) Perceived security risks of adding increasing the  
4 number or location of craft growers;

5 (8) The past safety record of craft growers;

6 (9) The Department of Agriculture's capacity to  
7 appropriately regulate additional licensees;

8 (10) The findings and recommendations from the  
9 disparity and availability study commissioned by the  
10 Illinois Cannabis Regulation Oversight Officer to reduce  
11 or eliminate any identified barriers to entry in the  
12 cannabis industry; and

13 (11) Any other criteria the Department of Agriculture  
14 deems relevant.

15 (c) After January 1, 2022, the Department of Financial and  
16 Professional Regulation may by rules modify or raise the number  
17 of craft grower licenses assigned to each region, and modify or  
18 change the licensing application process to reduce or eliminate  
19 barriers based on the criteria in subsection (b). At no time  
20 may the number of craft grower licenses exceed 150.

21 Section 30-10. Application.

22 (a) When applying for a license, the applicant shall  
23 electronically submit the following in such form as the  
24 Department of Agriculture may direct:

25 (1) the nonrefundable application fee of \$40,000 to be

1 deposited into the Cannabis Regulation Fund, or another  
2 amount as the Department of Agriculture may set by rule  
3 after January 1, 2021;

4 (2) the legal name of the craft grower;

5 (3) the proposed physical address of the craft grower;

6 (4) the name, address, and date of birth of each  
7 principal officer and board member of the craft grower;  
8 each principal officer and board member shall be at least  
9 21 years of age;

10 (5) the details of any administrative or judicial  
11 proceeding in which any of the principal officers or board  
12 members of the craft grower (i) pled guilty, were  
13 convicted, fined, or had a registration or license  
14 suspended or revoked, or (ii) managed or served on the  
15 board of a business or non-profit organization that pled  
16 guilty, was convicted, fined, or had a registration or  
17 license suspended or revoked;

18 (6) proposed operating bylaws that include procedures  
19 for the oversight of the craft grower, including the  
20 development and implementation of a plant monitoring  
21 system, accurate recordkeeping, staffing plan, and  
22 security plan approved by the Department of State Police  
23 that are in accordance with the rules issued by the  
24 Department of Agriculture under this Act. A physical  
25 inventory shall be performed of all plants and on a weekly  
26 basis by the craft grower;

1           (7) verification from the Department of State Police  
2           that all background checks of the prospective principal  
3           officers, board members, and agents of the cannabis  
4           establishment have been conducted and those persons have  
5           not been convicted of an excluded offense;

6           (8) a copy of the current local zoning ordinance or  
7           permit and verification that the proposed craft grower is  
8           in compliance with the local zoning rules and distance  
9           limitations established by the local jurisdiction;

10          (9) proposed employment practices, in which the  
11          applicant must demonstrate a plan of action to inform,  
12          hire, and educate minorities, women, veterans, and persons  
13          with disabilities and engage in fair labor practices and  
14          provide worker protections;

15          (10) whether an applicant can demonstrate experience  
16          in or business practices that promote economic empowerment  
17          in Disproportionately Impacted Areas;

18          (11) experience with the cultivation of agricultural  
19          or horticultural products, operating an agriculturally  
20          related business, or operating a horticultural business;

21          (12) whether the applicant consents to a labor peace  
22          agreement. The applicant may attest that the applicant has  
23          entered into a labor peace agreement and will abide by the  
24          terms of the agreement. The applicant may submit a copy of  
25          the page of the labor peace agreement that contains the  
26          signatures of the union representative and the applicant;

1           (13) a description of the enclosed, locked facility  
2           where cannabis will be grown, harvested, manufactured,  
3           packaged, or otherwise prepared for distribution to a  
4           dispensing organization or other cannabis business  
5           establishment;

6           (14) a survey of the enclosed, locked facility,  
7           including the space used for cultivation;

8           (15) cultivation, processing, inventory, and packaging  
9           plans;

10          (16) a description of the applicant's experience with  
11          agricultural cultivation techniques and industry  
12          standards;

13          (17) a list of any academic degrees, certifications, or  
14          relevant experience of all prospective principal officers,  
15          board members, and agents with related businesses;

16          (18) the identity of every person having a financial or  
17          voting interest of 5% or greater in the cultivation center  
18          or craft grower operation with respect to which the license  
19          is sought, whether a trust, corporation, partnership,  
20          limited liability company, or sole proprietorship,  
21          including the name and address of each person;

22          (19) a plan describing how the craft grower will  
23          address each of the following:

24               (i) energy needs, including estimates of monthly  
25               electricity and gas usage, to what extent it will  
26               procure energy from a local utility or from on-site

1 generation, and if it has or will adopt a sustainable  
2 energy use and energy conservation policy;

3 (ii) water needs, including estimated water draw  
4 and if it has or will adopt a sustainable water use and  
5 water conservation policy; and

6 (iii) waste management, including if it has or will  
7 adopt a waste reduction policy; and

8 (20) any other information required by rule.

9 (b) Applicants must submit all required information,  
10 including that required in Section 30-40 to the Department of  
11 Agriculture. Failure by an applicant to submit all required  
12 information may result in the application being disqualified.

13 (c) If the Department of Agriculture receives an  
14 application with missing information, the Department of  
15 Agriculture may issue a deficiency notice to the applicant. The  
16 applicant shall have 10 calendar days from the date of the  
17 deficiency notice to resubmit the incomplete information.  
18 Applications that are still incomplete after this opportunity  
19 to cure, will not be scored and will be disqualified.

20 (d) An applicant may submit for further consideration:

21 (1) A recycling plan.

22 (A) A commitment that any recyclable waste  
23 generated by the craft grower shall be recycled per  
24 applicable State and local laws, ordinances, and  
25 rules.

26 (B) A commitment that any cannabis waste, liquid

1 waste, or hazardous waste shall be disposed of in  
2 accordance with 8 Ill. Adm. Code 1000.460, except, to  
3 the greatest extent feasible, all cannabis plant waste  
4 will be rendered unusable by grinding and  
5 incorporating the cannabis plant waste with  
6 compostable mixed waste to be disposed of in accordance  
7 with 8 Ill. Adm. Code 1000.460 (g) (1).

8 (2) A commitment to comply with local waste provisions.  
9 The craft grower will remain in compliance with applicable  
10 State and federal environmental requirements, including,  
11 but not limited to:

12 (A) storing, securing, and managing all  
13 recyclables and waste, including organic waste  
14 composed of or containing finished cannabis and  
15 cannabis products, in accordance with applicable State  
16 and local laws, ordinances, and rules, and

17 (B) disposing liquid waste containing cannabis or  
18 byproducts of cannabis processing in compliance with  
19 all applicable State and federal requirements,  
20 including, but not limited to, the cannabis  
21 cultivation facility's permits under Title X of the  
22 Environmental Protection Act.

23 (3) A commitment to a technology standard for resource  
24 efficiency of the craft grower.

25 (A) A craft grower commits to use resources  
26 efficiently, including energy and water. For the

1 following, a craft grower commits to meet or exceed the  
2 technology standard identified in paragraphs (ii),  
3 (iii), and (iv), which may be modified by rule:

- 4 (i) lighting systems, including light bulbs,
- 5 (ii) HVAC system,
- 6 (iii) water application system to the crop,
- 7 and
- 8 (iv) filtration system for removing
- 9 contaminants from wastewater.

10 (B) Lighting. The Lighting Power Densities (LPD)  
11 for cultivation space will to not exceed an average of  
12 36 watts per gross square foot of active and growing  
13 space canopy, or all installed lighting technology  
14 shall meet a photosynthetic photon efficacy (PPE) of no  
15 less than 2.2 micromoles per joule fixture and shall be  
16 featured on the DesignLights Consortium (DLC)  
17 Horticultural Specification Qualified Products List  
18 (QPL). In the event that DLC requirement for minimum  
19 efficacy exceeds 2.2 micromoles per joule fixture,  
20 that PPE shall become the new standard.

21 (C) HVAC.

- 22 (i) For cannabis grow operations with less
- 23 than 6,000 square feet of canopy, the licensee
- 24 commits that all HVAC units will be
- 25 high-efficiency ductless split HVAC units, or
- 26 other more energy efficient equipment.

1 (ii) For cannabis grow operations with 6,000  
2 square feet of canopy or more, the licensee commits  
3 that all HVAC units will be variable refrigerant  
4 flow HVAC units, or other more energy efficient  
5 equipment.

6 (D) Water application.

7 (i) The craft grower commits to use automated  
8 watering systems, including, but not limited to,  
9 drip irrigation and flood tables, to irrigate  
10 cannabis crop.

11 (ii) The craft grower commits to measure  
12 runoff from watering events and report this volume  
13 in its water usage plan, and that on average,  
14 watering events shall have no more than 20% of  
15 runoff of water.

16 (E) Filtration. The craft grower commits that HVAC  
17 condensate, dehumidification water, excess runoff, and  
18 other wastewater produced by the cannabis cultivation  
19 facility shall be captured and filtered to the best of  
20 the facility's ability to achieve the quality needed to  
21 be reused in subsequent watering rounds.

22 (4) The existence of a labor peace agreement.

23 (A) For an applicant with 20 or more employees, the  
24 applicant may attest that the applicant has entered  
25 into a labor peace agreement and will abide by the  
26 terms of the agreement. The applicant shall submit a



1 copy of the page of the labor peace agreement that  
2 contains the signatures of the union representative  
3 and the applicant. Maintaining a labor peace agreement  
4 shall be an ongoing material condition of a cannabis  
5 business license.

6 (B) Applicants that are party to a labor peace  
7 agreement with a bona fide labor organization that  
8 currently represents, or is actively seeking to  
9 represent cannabis workers in Illinois.

10 (C) Applicants that submit an attestation  
11 affirming that they will use best efforts to use union  
12 labor in the construction or retrofit of the facilities  
13 associated with their cannabis business.

14 Section 30-15. Scoring applications.

15 (a) The Department of Agriculture shall by rule develop a  
16 system to score craft grower applications to administratively  
17 rank applications based on the clarity, organization and  
18 quality of the applicant's responses to required information.  
19 Applicants shall be awarded points according based on the  
20 following categories:

21 (1) Suitability of the proposed facility;

22 (2) Proposed staffing and consent to enter a peace  
23 labor agreement with employees;

24 (3) Security Plan;

25 (4) Cultivation Plan;

1 (5) Product Safety and Labeling Plan;

2 (6) Business Plan;

3 (7) The applicant's status as a Social Equity  
4 Applicant, which shall constitute no less than 12.5% of  
5 total available points;

6 (8) Bonus points based on the applicant's (i) plan to  
7 perform research, (ii) use environmentally friendly  
8 practices, and (iii) engage in philanthropic efforts; (iv)  
9 the existence of a labor peace agreement; (v) the applicant  
10 is 51% or more owned and controlled by an individual or  
11 individuals who have been an Illinois resident for the past  
12 5 years as proved by tax records; and

13 (9) any other criteria the Department of Agriculture  
14 may set by rule for points or bonus points.

15 (b) Should the applicant be awarded a craft grower license,  
16 the information and plans that an applicant provided in its  
17 application, including any plans submitted for the acquiring of  
18 bonus points, shall be a mandatory condition of the permit. Any  
19 variation from or failure to perform such plans may result in  
20 discipline, including the revocation or nonrenewal of a  
21 license.

22 (c) Should the applicant be awarded a craft grower license,  
23 it shall pay a fee of \$100,000 prior to receiving the license,  
24 to be deposited into the Cannabis Regulation Fund. The  
25 Department of Agriculture may by rule adjust the fee in this  
26 Section after January 1, 2021.

1       Section 30-20. Issuance of license to certain persons  
2 prohibited.

3       (a) No craft grower license issued by the Department of  
4 Agriculture shall be issued to a person who is licensed by any  
5 licensing authority as a cultivation center, or to any  
6 partnership, corporation, limited liability company, or trust  
7 or any subsidiary, affiliate, or any other form of business  
8 enterprise having more than 10% legal, equitable, or beneficial  
9 interest, directly or indirectly, in a person licensed in this  
10 State as a cultivation center, or to any principal officer,  
11 agent, employee, human being, with any form of ownership or  
12 control over a cultivation center except for a person who owns  
13 no more than 5% of the outstanding shares of a cultivation  
14 center whose shares are publicly traded on an exchange within  
15 the meaning of the Securities Exchange Act of 1934.

16       (b) A person who is licensed in this State as a craft  
17 grower, or any partnership, corporation, limited liability  
18 company, or trust or any subsidiary, affiliate, or agent  
19 thereof, or any other form of business enterprise licensed in  
20 this State as a craft grower shall not have more than 10%  
21 legal, equitable, or beneficial interest, directly or  
22 indirectly, in a person licensed as a cultivation center, nor  
23 shall any partnership, corporation, limited liability company,  
24 or trust or any subsidiary, affiliate, or any other form of  
25 business enterprise having any legal, equitable, or beneficial

1 interest, directly or indirectly, in a person licensed in this  
2 State as a craft grower or a craft grower agent be a principal  
3 officer, agent, employee, or human being, with any form of  
4 ownership or control over a cultivation center except for a  
5 person who owns no more than 5% of the outstanding shares of a  
6 cultivation center whose shares are publicly traded on an  
7 exchange within the meaning of the Securities Exchange Act of  
8 1934.

9 Section 30-25. Denial of application. An application for a  
10 craft grower license must be denied if any of the following  
11 conditions are met:

12 (1) the applicant failed to submit the materials  
13 required by this Article;

14 (2) the applicant would not be in compliance with local  
15 zoning rules;

16 (3) one or more of the prospective principal officers  
17 or board members has been convicted of an excluded offense;

18 (4) one or more of the prospective principal officers,  
19 or board members causes a violation of Section 30-20 of  
20 this Article;

21 (5) one or more of the principal officers or board  
22 members is under 21 years of age;

23 (6) a principal officer or board member of the  
24 cultivation center has been convicted of a felony under the  
25 laws of this State, any other state, or the United States;

1           (7) a principal officer or board member of the  
2 cultivation center has been convicted of any violation of  
3 Article 28 of the Criminal Code of 2012, or substantially  
4 similar laws of any other jurisdiction;

5           (8) the person has submitted an application for a  
6 permit under this Act or this Article that contains false  
7 information; or

8           (9) if the licensee; principal officer, board member,  
9 or person having a financial or voting interest of 5% or  
10 greater in the licensee; or agent is delinquent in filing  
11 any required tax returns or paying any amounts owed to the  
12 State of Illinois.

13           Section 30-30. Craft grower requirements; prohibitions.

14           (a) The operating documents of a craft grower shall include  
15 procedures for the oversight of the craft grower, a cannabis  
16 plant monitoring system including a physical inventory  
17 recorded weekly, accurate recordkeeping, and a staffing plan.

18           (b) A craft grower shall implement a security plan reviewed  
19 by the Department of State Police that includes, but is not  
20 limited to: facility access controls, perimeter intrusion  
21 detection systems, personnel identification systems, 24-hour  
22 surveillance system to monitor the interior and exterior of the  
23 craft grower facility and accessible to authorized law  
24 enforcement and the Department of Agriculture in real time.

25           (c) All cultivation of cannabis by a craft grower must take

1 place in an enclosed, locked facility at the physical address  
2 provided to the Department of Agriculture during the licensing  
3 process. The craft grower location shall only be accessed by  
4 the agents working for the craft grower, the Department of  
5 Agriculture staff performing inspections, the Department of  
6 Public Health staff performing inspections, law enforcement or  
7 other emergency personnel, contractors working on jobs  
8 unrelated to cannabis, such as installing or maintaining  
9 security devices or performing electrical wiring, transporting  
10 organization agents as provided in this Act, or participants in  
11 the incubator program, individuals in a mentoring or  
12 educational program approved by the State, or other individuals  
13 as provided by rule. However, if a craft grower shares a  
14 premises with a processor or dispensing organization, agents  
15 from those other licensees may access the craft grower portion  
16 of the premises if that is location of common bathrooms,  
17 lunchrooms, locker rooms, or other areas of the building where  
18 work cultivation of cannabis is not performed. At no time may a  
19 processor or dispensing organization agent perform work at a  
20 craft grower without being a registered agent of the craft  
21 grower.

22 (d) A craft grower may not sell or distribute any cannabis  
23 to any person other than a cultivation center, craft grower,  
24 processing organization, a dispensing organization, or as  
25 otherwise authorized by rule.

26 (e) A craft grower may not be located in an area zoned for

1 residential use.

2 (f) A craft grower may not either directly or indirectly  
3 discriminate in price between different cannabis business  
4 establishments that are purchasing a like grade, strain, brand,  
5 and quality of cannabis or cannabis-infused product. Nothing in  
6 this subsection (f) prevents a craft grower from pricing  
7 cannabis differently based on differences in the cost of  
8 manufacturing or processing, the quantities sold, such s volume  
9 discounts, or the way the products are delivered.

10 (g) All cannabis harvested by a craft grower and intended  
11 for distribution to a dispensing organization must be entered  
12 into a data collection system, packaged and labeled under  
13 section (section on package and label section number), and, if  
14 distribution is to a dispensing organization that does not  
15 share a premises with the dispensing organization receiving the  
16 cannabis, placed into a cannabis container for transport. All  
17 cannabis harvested by a craft grower and intended for  
18 distribution to a cultivation center, or to a processing  
19 organization or craft grower with which it does not share a  
20 premises, must be packaged in a labeled cannabis container and  
21 entered into a data collection system before transport.

22 (h) No person who has been convicted of or pled guilty to  
23 an excluded offense may be a craft grower agent.

24 (i) Craft growers are subject to random inspections by the  
25 Department of Agriculture and the Department of State Police.

26 (j) A craft grower agent shall notify local law

1 enforcement, the Department of State Police, and the Department  
2 of Agriculture within 24 hours of the discovery of any loss or  
3 theft. Notification shall be made by phone or in person, or by  
4 written or electronic communication.

5 (k) A craft grower shall comply with all State and any  
6 applicable federal rules and regulations regarding the use of  
7 pesticides on cannabis plants.

8 (l) A craft grower or craft grower agent shall not  
9 transport cannabis or cannabis-infused products to any other  
10 cannabis business establishment without a transport  
11 organization license unless:

12 (i) If the craft grower is located in a county with a  
13 population of 3,000,000 or more, the cannabis business  
14 establishment receiving the cannabis is within 2,000 ft of  
15 the property line of the craft grower;

16 (ii) If the craft grower is located in a county with a  
17 population of more than 700,000 but fewer than 3,000,000,  
18 the cannabis business establishment receiving the cannabis  
19 is within 2 miles of the craft grower; or

20 (iii) If the craft grower is located in a county with a  
21 population of fewer the 700,000, the cannabis business  
22 establishment receiving the cannabis is within 15 miles of  
23 the craft grower.

24 (m) A craft grower may enter into a contract with a  
25 transporting organization to transport cannabis to a  
26 cultivation center, craft grower, processing organization,



1 dispensing organization, or laboratory.

2 (n) No person or entity shall hold any legal, equitable,  
3 ownership, or beneficial interest, directly or indirectly, of  
4 more than one craft grower licensed under this Article.  
5 Further, no person or entity who is employed by, an agent of,  
6 has a contract to receive payment in any form from a craft  
7 grower, is a principal officer of a craft grower, or entity  
8 controlled by or affiliated with a principal officer of a craft  
9 grower shall hold any legal, equitable, ownership, or  
10 beneficial interest, directly or indirectly, in a craft grower  
11 that would result in the person or entity owning or controlling  
12 in combination with any craft grower, principal officer of a  
13 craft grower, or entity controlled or affiliated with a  
14 principal officer of a craft grower by which he, she, or it is  
15 employed, is an agent of, or has a contract to receive payment  
16 from, more than one craft grower license.

17 (o) It is unlawful for any person having a craft grower  
18 license or any officer, associate, member, representative, or  
19 agent of the licensee to offer or deliver money, or anything  
20 else of value, directly or indirectly, to any person having an  
21 Early Applicant Adult Use Dispensing Organization License, an  
22 Adult Use Dispensing Organization License, or a medical  
23 cannabis dispensing organization license issued under the  
24 Compassionate Use of Medical Cannabis Pilot Program Act, or to  
25 any person connected with or in any way representing, or to any  
26 member of the family of, the person holding an Early Applicant

1 Adult Use Dispensing Organization License, an Adult Use  
2 Dispensing Organization License, or a medical cannabis  
3 dispensing organization license issued under the Compassionate  
4 Use of Medical Cannabis Pilot Program Act, or to any  
5 stockholders in any corporation engaged the retail sales of  
6 cannabis, or to any officer, manager, agent or representative  
7 of the Early Applicant Adult Use Dispensing Organization  
8 License, an Adult Use Dispensing Organization License, or a  
9 medical cannabis dispensing organization license issued under  
10 the Compassionate Use of Medical Cannabis Pilot Program Act to  
11 obtain preferential placement within the dispensing  
12 organization, including without limitation on shelves and in  
13 display cases where purchasers can view products, or on the  
14 dispensing organization's website.

15 (p) Any other requirements or prohibitions set by  
16 Department of Agriculture rules.

17 Section 30-35. Craft grower agent identification card.

18 (a) The Department of Agriculture shall:

19 (1) establish by rule the information required in an  
20 initial application or renewal application for an agent  
21 identification card submitted under this Act and the  
22 nonrefundable fee to accompany the initial application or  
23 renewal application;

24 (2) verify the information contained in an initial  
25 application or renewal application for an agent

1 identification card submitted under this Act, and approve  
2 or deny an application within 30 days of receiving a  
3 completed initial application or renewal application and  
4 all supporting documentation required by rule;

5 (3) issue an agent identification card to a qualifying  
6 agent within 15 business days of approving the initial  
7 application or renewal application;

8 (4) enter the license number of the craft grower where  
9 the agent works; and

10 (5) allow for an electronic initial application and  
11 renewal application process, and provide a confirmation by  
12 electronic or other methods that an application has been  
13 submitted. Each Department may by rule require prospective  
14 agents to file their applications by electronic means and  
15 to provide notices to the agents by electronic means.

16 (b) An agent must keep his or her identification card  
17 visible at all times when on the property of a cannabis  
18 establishment including the cannabis establishment for which  
19 he or she is an agent.

20 (c) The agent identification cards shall contain the  
21 following:

22 (1) the name of the cardholder;

23 (2) the date of issuance and expiration date of the  
24 identification card;

25 (3) a random 10-digit alphanumeric identification  
26 number containing at least 4 numbers and at least 4 letters

1           that is unique to the holder;

2                 (4) a photograph of the cardholder; and

3                 (5) the legal name of the cannabis establishment  
4           employing the agent.

5           (d) An agent identification card shall be immediately  
6           returned to the cannabis establishment of the agent upon  
7           termination of his or her employment.

8           (e) Any agent identification card lost by a craft grower  
9           agent shall be reported to the Department of State Police and  
10          the Department of Agriculture immediately upon discovery of the  
11          loss.

12          (f) An applicant for an agent identification card shall be  
13          denied if he or she has been convicted of or pled guilty to an  
14          excluded offense.

15          Section 30-40. Craft grower background checks.

16          (a) Through the Department of State Police, the licensing  
17          or issuing Department shall conduct a background check of the  
18          prospective principal officers, board members, and agents of a  
19          craft grower applying for a license or identification card  
20          under this Act. The Department of State Police shall charge a  
21          fee set by rule for conducting the criminal history record  
22          check, which shall be deposited into the State Police Services  
23          Fund and shall not exceed the actual cost of the record check.  
24          In order to carry out this provision, each cannabis  
25          establishment prospective principal officer, board member, or

1 agent shall submit a full set of fingerprints to the Department  
2 of State Police for the purpose of obtaining a State and  
3 federal criminal records check. These fingerprints shall be  
4 checked against the fingerprint records now and hereafter, to  
5 the extent allowed by law, filed in the Department of State  
6 Police and Federal Bureau of Investigation criminal history  
7 records databases. The Department of State Police shall  
8 furnish, following positive identification, all conviction  
9 information to the Department of Agriculture.

10 (b) When applying for the initial license or identification  
11 card, the background checks for all prospective principal  
12 officers, board members, and agents shall be completed before  
13 submitting the application to the licensing or issuing agency.

14 Section 30-45. Renewal of craft grower licenses and agent  
15 identification cards.

16 (a) Licenses and identification cards issued under this Act  
17 shall be renewed annually. A craft grower shall receive written  
18 or electronic notice 90 days before the expiration of its  
19 current license that the license will expire. The Department of  
20 Agriculture shall grant a renewal within 45 days of submission  
21 of a renewal application if:

22 (1) the craft grower submits a renewal application and  
23 the required nonrefundable renewal fee of \$40,000, or  
24 another amount as the Department of Agriculture may set by  
25 rule after January 1, 2021;

1           (2) the Department of Agriculture has not suspended the  
2       license of the craft grower or suspended or revoked the  
3       license for violating this Act or rules adopted under this  
4       Act; and

5           (3) the craft grower has continued to operate in  
6       accordance with all plans submitted as part of its  
7       application and approved by the Department of Agriculture  
8       or any amendments thereto that have been approved by the  
9       Department of Agriculture.

10          (b) If a craft grower fails to renew its license before  
11       expiration, it shall cease operations until its license is  
12       renewed.

13          (c) If a craft grower agent fails to renew his or her  
14       identification card before its expiration, he or she shall  
15       cease to work as an agent of the cannabis business  
16       establishment until his or her identification card is renewed.

17          (d) Any craft grower that continues to operate, or any  
18       craft grower agent who continues to work as an agent, after the  
19       applicable license or identification card has expired without  
20       renewal are subject to the penalties provided under Section  
21       45-5.

22          (e) All fees or fines collected from the renewal of a craft  
23       grower license shall be deposited into the Cannabis Regulation  
24       Fund.

25                               ARTICLE 35.

PROCESSING ORGANIZATIONS

Section 35-5. Issuance of licenses.

(a) The Department of Agriculture shall issue up to 40 processor licenses through a process provided for in this Article no later than July 1, 2020.

(b) The Department of Agriculture shall make the application for processor licenses available on January 7, 2020, or if that date falls on a weekend or holiday, the business day immediately succeeding the weekend or holiday and every January 7 or succeeding business day thereafter, and shall receive such applications no later than March 15, 2020, or, if that falls on a weekend or holiday, every March 15 or succeeding business day thereafter.

(c) By December 21, 2021, the Department of Agriculture may issue up to 60 additional processor licenses. Prior to issuing such licenses, the Department may adopt rules through emergency rulemaking in accordance with subsection (gg) of Section 5-45 of the Illinois Administrative Procedure Act, to modify or raise the number of processor licenses assigned to each region and modify or change the licensing application process to reduce or eliminate barriers. The General Assembly finds that the adoption of rules to regulate cannabis use is deemed an emergency and necessary for the public interest, safety and welfare.

In determining whether to exercise either authority

1 granted by this subsection, the Department of Agriculture must  
2 consider the following factors:

3 (1) the percentage of cannabis sales occurring in  
4 Illinois not in the regulated market using data from the  
5 substance abuse and Mental Health Services Administration,  
6 National Survey on Drug Use and Health, Illinois Behavioral  
7 Risk Factor Surveillance System, and tourism data from the  
8 Illinois Office of Tourism to ascertain total cannabis  
9 consumption in Illinois compared to the amount of sales in  
10 licensed dispensing organizations;

11 (2) whether there is an adequate supply of cannabis and  
12 cannabis-infused products to serve registered medical  
13 cannabis patients;

14 (3) whether there is an adequate supply of cannabis and  
15 cannabis-infused products to serve purchasers:

16 (4) whether there is an oversupply of cannabis in  
17 Illinois leading to trafficking of cannabis to states where  
18 the sale of cannabis is not permitted by law;

19 (5) population increases or shifts;

20 (6) changes to federal law;

21 (7) perceived security risks of increasing the number  
22 or location of cultivation centers;

23 (8) the past security records of cultivation centers;

24 (9) the Department of Agriculture's capacity to  
25 appropriately regulate additional licenses;

26 (10) the findings and recommendations from the



1 disparity and availability study commissioned by the  
2 Illinois Cannabis Regulation Oversight Officer to reduce  
3 or eliminate any identified barriers to entry in the  
4 cannabis industry; and

5 (11) any other criteria the Department of Agriculture  
6 deems relevant.

7 (c) After January 1, 2022, the Department of Financial and  
8 Professional Regulation may by rules modify or raise the number  
9 of craft grower licenses assigned to each region, and modify or  
10 change the licensing application process to reduce or eliminate  
11 barriers based on the criteria in subsection (b).

12 Section 35-10. Application.

13 (a) When applying for a license, the applicant shall  
14 electronically submit the following in such form as the  
15 Department of Agriculture may direct:

16 (1) the nonrefundable application fee of \$5,000 or,  
17 after January 1, 2021, another amount as set by rule by the  
18 Department of Agriculture, to be deposited into the  
19 Cannabis Regulation Fund;

20 (2) the legal name of the processor;

21 (3) the proposed physical address of the processor;

22 (4) the name, address, social security number, and date  
23 of birth of each principal officer and board member of the  
24 processor; each principal officer and board member shall be  
25 at least 21 years of age;

1 (5) the details of any administrative or judicial  
2 proceeding in which any of the principal officers or board  
3 members of the processor (i) pled guilty, were convicted,  
4 fined, or had a registration or license suspended or  
5 revoked, or (ii) managed or served on the board of a  
6 business or non-profit organization that pled guilty, was  
7 convicted, fined, or had a registration or license  
8 suspended or revoked;

9 (6) proposed operating bylaws that include procedures  
10 for the oversight of the processor, including the  
11 development and implementation of a plant monitoring  
12 system, accurate recordkeeping, staffing plan, and security  
13 plan approved by the Department of State Police that are in  
14 accordance with the rules issued by the Department of  
15 Agriculture under this Act. A physical inventory shall be  
16 performed of all cannabis on a weekly basis by the  
17 processor;

18 (7) verification from the Department of State Police  
19 that all background checks of the prospective principal  
20 officers, board members, and agents of the cannabis  
21 business establishment have been conducted and those  
22 persons have not been convicted of an excluded offense;

23 (8) a copy of the current local zoning ordinance and  
24 verification that the proposed processor is in compliance  
25 with the local zoning rules and distance limitations  
26 established by the local jurisdiction;

1           (9) proposed employment practices, in which the  
2           applicant must demonstrate a plan of action to inform,  
3           hire, and educate minorities, women, veterans, and persons  
4           with disabilities and engage in fair labor practices and  
5           provide worker protections;

6           (10) whether an applicant can demonstrate experience  
7           in or business practices that promote economic empowerment  
8           in Disproportionately Impacted Areas;

9           (11) experience with the extraction, processing, or  
10          infusing, of oils similar to those derived from cannabis,  
11          or other business practices to be performed by the  
12          processor;

13          (12) whether the applicant consents to a labor peace  
14          agreement. The applicant may attest that the applicant has  
15          entered into a labor peace agreement and will abide by the  
16          terms of the agreement. The applicant may submit a copy of  
17          the page of the labor peace agreement that contains the  
18          signatures of the union representative and the applicant;

19          (13) a description of the enclosed, locked facility  
20          where cannabis will be processed, packaged, or otherwise  
21          prepared for distribution to a dispensing organization or  
22          other processor;

23          (14) processing, inventory, and packaging plans;

24          (15) a description of the applicant's experience with  
25          manufacturing equipment and chemicals to be used in  
26          processing;

1 (16) a list of any academic degrees, certifications, or  
2 relevant experience of all prospective principal officers,  
3 board members, and agents with related businesses;

4 (17) the identity of every person having a financial or  
5 voting interest of 5% or greater in the processor operation  
6 with respect to which the license is sought, whether a  
7 trust, corporation, partnership, limited liability  
8 company, or sole proprietorship, including the name and  
9 address of each person;

10 (18) a plan describing how the processor will address  
11 each of the following:

12 (i) energy needs, including estimates of monthly  
13 electricity and gas usage, to what extent it will  
14 procure energy from a local utility or from on-site  
15 generation, and if it has or will adopt a sustainable  
16 energy use and energy conservation policy;

17 (ii) water needs, including estimated water draw  
18 and if it has or will adopt a sustainable water use and  
19 water conservation policy; and

20 (iii) waste management, including if it has or will  
21 adopt a waste reduction policy; and

22 (19) any other information required by rule.

23 (b) Applicants must submit all required information,  
24 including that required in Section 35-20 to the Department of  
25 Agriculture. Failure by an applicant to submit all required  
26 information may result in the application being disqualified.

1 (c) If the Department of Agriculture receives an  
2 application with missing information, the Department of  
3 Agriculture may issue a deficiency notice to the applicant. The  
4 applicant shall have 10 calendar days from the date of the  
5 deficiency notice to resubmit the incomplete information.  
6 Applications that are still incomplete after this opportunity  
7 to cure, will not be scored and will be disqualified.

8 Section 35-15. Issuing licenses.

9 (a) The Department of Agriculture shall by rule develop a  
10 system to score processor applications to administratively  
11 rank applications based on the clarity, organization and  
12 quality of the applicant's responses to required information.  
13 Applicants shall be awarded points according based on the  
14 following categories:

- 15 (1) Suitability of the proposed facility;  
16 (2) Proposed staffing;  
17 (3) Security plan;  
18 (4) Processing plan;  
19 (5) Expertise in relevant scientific fields;  
20 (6) Product safety and labeling plan;  
21 (7) Business plan;

22 (8) The applicant's status as a Social Equity  
23 Applicant, which shall constitute no less than 12.5% of  
24 total available points;

- 25 (9) Bonus points based on the applicant's (i) plan to

1 perform research, (ii) use environmentally friendly  
2 practices, and (iii) engage in philanthropic efforts; (iv)  
3 the existence of a labor peace agreement; (v) the applicant  
4 is 51% or more owned and controlled by an individual or  
5 individuals who have been an Illinois resident for the past  
6 5 years as proved by tax records;

7 (10) Bonus points for a recycling and waste disposal  
8 plan that includes:

9 (A) A commitment that any recyclable waste  
10 generated by the processor shall be recycled per  
11 applicable State and local laws, ordinances, and  
12 rules.

13 (B) A commitment that any cannabis waste, liquid  
14 waste, or hazardous waste shall be disposed of in  
15 accordance with 8 Ill. Adm. Code 1000.460, except, to  
16 the greatest extent feasible, all cannabis plant waste  
17 will be rendered unusable by grinding and  
18 incorporating the cannabis plant waste with  
19 compostable mixed waste to be disposed of in accordance  
20 with 8 Ill. Adm. Code 1000.460(g)(1).

21 (C) A commitment to comply with local waste  
22 provisions. A processor commits to remain in  
23 compliance with applicable State and federal  
24 environmental requirements, including, but not limited  
25 to:

26 (i) storing, securing, and managing all

1 recyclables and waste, including organic waste  
2 composed of or containing finished cannabis and  
3 cannabis products, in accordance with applicable  
4 State and local laws, ordinances, and rules; and

5 (ii) Disposing liquid waste containing  
6 cannabis or byproducts of cannabis processing in  
7 compliance with all applicable State and federal  
8 requirements, including, but not limited to, the  
9 cannabis cultivation facility's permits under  
10 Title X of the Environmental Protection Act; and

11 (11) any other criteria the Department of Agriculture  
12 may set by rule for points or bonus points.

13 (b) The Department of Agriculture shall make the  
14 application for processor licenses available on February 1,  
15 2020, or, if that date falls on a weekend or holiday, the  
16 business day immediately succeeding the weekend or holiday and  
17 every February 1 or succeeding business day thereafter, and  
18 shall receive such applications no later than March 31, 2020,  
19 or, if that falls on a weekend or holiday, every March 31 or  
20 succeeding business day thereafter.

21 (c) Applicants for processor licenses that score at least  
22 85% of available points according to the system developed by  
23 rule and who meet all other requirements for a processor  
24 license, shall be issued a license by the Department of  
25 Agriculture within 60 days of receiving the application.

26 (d) Should the applicant be awarded a processor license,

1 the information and plans that an applicant provided in its  
2 application, including any plans submitted for the acquiring of  
3 bonus points, becomes a mandatory condition of the permit. Any  
4 variation from or failure to perform such plans may result in  
5 discipline, including the revocation or nonrenewal of a  
6 license.

7 (e) Should the applicant be awarded a processor  
8 organization license, it shall pay a fee of \$20,000 prior to  
9 receiving the license, to be deposited into the Cannabis  
10 Regulation Fund. The Department of Agriculture may by rule  
11 adjust the fee in this Section after January 1, 2021.

12 Section 35-20. Denial of application. An application for a  
13 processor license must be denied if any of the following  
14 conditions are met:

15 (1) the applicant failed to submit the materials  
16 required by this Article;

17 (2) the applicant would not be in compliance with local  
18 zoning rules or permit requirements;

19 (3) one or more of the prospective principal officers  
20 or board members has been convicted of an excluded offense;

21 (4) one or more of the prospective principal officers,  
22 or board members causes a violation of Section 35-25.

23 (5) one or more of the principal officers or board  
24 members is under 21 years of age;

25 (6) a principal officer or board member of the



1 processor has been convicted of a felony under the laws of  
2 this State, any other state, or the United States;

3 (7) a principal officer or board member of the  
4 processor has been convicted of any violation of Article 28  
5 of the Criminal Code of 2012, or substantially similar laws  
6 of any other jurisdiction;

7 (8) the person has submitted an application for a  
8 permit under this Act or this Article that contains false  
9 information; or

10 (9) if the licensee; principal officer, board member,  
11 or person having a financial or voting interest of 5% or  
12 greater in the licensee; or agent is delinquent in filing  
13 any required tax returns or paying any amounts owed to the  
14 State of Illinois.

15 Section 35-25. Processing organization requirements;  
16 prohibitions.

17 (a) The operating documents of a processor shall include  
18 procedures for the oversight of the processor, an inventory  
19 monitoring system including a physical inventory recorded  
20 weekly, accurate recordkeeping, and a staffing plan.

21 (b) A processor shall implement a security plan reviewed by  
22 the Department of State Police that includes, but is not  
23 limited to: facility access controls, perimeter intrusion  
24 detection systems, personnel identification systems, 24-hour  
25 surveillance system to monitor the interior and exterior of the

1 processor facility and accessible to authorized law  
2 enforcement, the Department of Public Health where processing  
3 takes place, and the Department of Agriculture in real time.

4 (c) All processing of cannabis by a processor must take  
5 place in an enclosed, locked facility at the physical address  
6 provided to the Department of Agriculture during the licensing  
7 process. The processor location shall only be accessed by the  
8 agents working for the processor, the Department of Agriculture  
9 staff performing inspections, the Department of Public Health  
10 staff performing inspections, law enforcement or other  
11 emergency personnel, contractors working on jobs unrelated to  
12 cannabis, such as installing or maintaining security devices or  
13 performing electrical wiring, transporting organization agents  
14 as provided in this Act, or participants in the incubator  
15 program, individuals in a mentoring or educational program  
16 approved by the State, or other individuals as provided by  
17 rule. However, if a processor shares a premises with a craft  
18 grower or dispensing organization, agents from these other  
19 licensees may access the processor portion of the premises if  
20 that is the location of common bathrooms, lunchrooms, locker  
21 rooms, or other areas of the building where processing of  
22 cannabis is not performed. At no time may a craft grower or  
23 dispensing organization agent perform work at a processor  
24 without a being a registered agent of the processor.

25 (d) A processor may not sell or distribute any cannabis to  
26 any person other than a cultivation center, craft grower,

1 processing organization, a dispensing organization, or as  
2 otherwise authorized by rule.

3 (e) A processor may not either directly or indirectly  
4 discriminate in price between different cannabis business  
5 establishments that are purchasing a like grade, strain, brand,  
6 and quality of cannabis or cannabis-infused product. Nothing in  
7 this subsection (e) prevents a processor from pricing cannabis  
8 differently based on differences in the cost of manufacturing  
9 or processing, the quantities sold, such volume discounts, or  
10 the way the products are delivered.

11 (f) All cannabis processed by a processor and intended for  
12 distribution to a dispensing organization must be entered into  
13 a data collection system, packaged and labeled under section  
14 (section on package and label section number), and, if  
15 distribution is to a dispensing organization that does not  
16 share a premises with the processor, placed into a cannabis  
17 container for transport. All cannabis produced by a processor  
18 and intended for distribution to a cultivation center,  
19 processing organization or craft grower with which it does not  
20 share a premises, must be packaged in a labeled cannabis  
21 container and entered into a data collection system before  
22 transport.

23 (g) No person who has been convicted of or pled guilty to  
24 an excluded offense may be a processor agent.

25 (h) Processors are subject to random inspections by the  
26 Department of Agriculture, the Department of Public Health, and

1 the Department of State Police.

2 (i) A processor agent shall notify local law enforcement,  
3 the Department of State Police, and the Department of  
4 Agriculture within 24 hours of the discovery of any loss or  
5 theft. Notification shall be made by phone or in person, or by  
6 written or electronic communication.

7 (j) A processor organization may not be located in an area  
8 zoned for residential use.

9 (k) A processor or processor agent shall not transport  
10 cannabis or cannabis-infused products to any other cannabis  
11 business establishment without a transport organization  
12 license unless:

13 (i) If the craft grower is located in a county with a  
14 population of 3,000,000 or more, the cannabis business  
15 establishment receiving the cannabis is within 2,000 ft of  
16 the property line of the processor;

17 (ii) If the craft grower is located in a county with a  
18 population of more than 700,000 but fewer than 3,000,000,  
19 the cannabis business establishment receiving the cannabis  
20 is within 2 miles of the processor; or

21 (iii) If the craft grower is located in a county with a  
22 population of fewer the 700,000, the cannabis business  
23 establishment receiving the cannabis is within 15 miles of  
24 the processor.

25 (l) A processor may enter into a contract with a  
26 transporting organization to transport cannabis to a

1 cultivation center, craft grower, processing organization,  
2 dispensing organization, or laboratory.

3 (m) A processing organization may share premises with a  
4 craft grower or a dispensing organization, or both, provided  
5 each licensee stores currency and cannabis or cannabis-infused  
6 products in a separate secured vault to which the other  
7 licensee does not have access or all licensees sharing a vault  
8 share more than 50% of the same ownership.

9 (n) It is unlawful for any person having a processing  
10 organization license or any officer, associate, member,  
11 representative or agent of such licensee to offer or deliver  
12 money, or anything else of value, directly or indirectly to any  
13 person having an Early Applicant Adult Use Dispensing  
14 Organization License, an Adult Use Dispensing Organization  
15 License, or a medical cannabis dispensing organization license  
16 issued under the Compassionate Use of Medical Cannabis Pilot  
17 Program Act, or to any person connected with or in any way  
18 representing, or to any member of the family of, such person  
19 holding an Early Applicant Adult Use Dispensing Organization  
20 License, an Adult Use Dispensing Organization License, or a  
21 medical cannabis dispensing organization license issued under  
22 the Compassionate Use of Medical Cannabis Pilot Program Act, or  
23 to any stockholders in any corporation engaged the retail sales  
24 of cannabis, or to any officer, manager, agent or  
25 representative of said Early Applicant Adult Use Dispensing  
26 Organization License, an Adult Use Dispensing Organization

1 License, or a medical cannabis dispensing organization license  
2 issued under the Compassionate Use of Medical Cannabis Pilot  
3 Program Act to obtain preferential placement within the  
4 dispensing organization, including without limitation on  
5 shelves and in display cases where purchasers can view  
6 products, or on the dispensing organization's website.

7 Section 35-30. Processor agent identification card.

8 (a) The Department of Agriculture shall:

9 (1) establish by rule the information required in an  
10 initial application or renewal application for an agent  
11 identification card submitted under this Act and the  
12 nonrefundable fee to accompany the initial application or  
13 renewal application;

14 (2) verify the information contained in an initial  
15 application or renewal application for an agent  
16 identification card submitted under this Act, and approve  
17 or deny an application within 30 days of receiving a  
18 completed initial application or renewal application and  
19 all supporting documentation required by rule;

20 (3) issue an agent identification card to a qualifying  
21 agent within 15 business days of approving the initial  
22 application or renewal application;

23 (4) enter the license number of the processor where the  
24 agent works; and

25 (5) allow for an electronic initial application and

1 renewal application process, and provide a confirmation by  
2 electronic or other methods that an application has been  
3 submitted. Each Department may by rule require prospective  
4 agents to file their applications by electronic means and  
5 to provide notices to the agents by electronic means.

6 (b) An agent must keep his or her identification card  
7 visible at all times when on the property of a cannabis  
8 establishment including the cannabis business establishment  
9 for which he or she is an agent.

10 (c) The agent identification cards shall contain the  
11 following:

12 (1) the name of the cardholder;

13 (2) the date of issuance and expiration date of the  
14 identification card;

15 (3) a random 10-digit alphanumeric identification  
16 number containing at least 4 numbers and at least 4 letters  
17 that is unique to the holder;

18 (4) a photograph of the cardholder; and

19 (5) the legal name of the cannabis business  
20 establishment employing the agent.

21 (d) An agent identification card shall be immediately  
22 returned to the cannabis business establishment of the agent  
23 upon termination of his or her employment.

24 (e) Any agent identification card lost by processor agent  
25 shall be reported to the Department of State Police and the  
26 Department of Agriculture immediately upon discovery of the

1 loss.

2 (f) An applicant for an agent identification card shall be  
3 denied if he or she has been convicted of or pled guilty to an  
4 excluded offense.

5 Section 35-35. Processing organization background checks.

6 (a) Through the Department of State Police, the licensing  
7 or issuing Department shall conduct a background check of the  
8 prospective principal officers, board members, and agents of a  
9 processor applying for a license or identification card under  
10 this Act. The Department of State Police shall charge a fee set  
11 by rule for conducting the criminal history record check, which  
12 shall be deposited into the State Police Services Fund and  
13 shall not exceed the actual cost of the record check. In order  
14 to carry out this provision, each cannabis establishment  
15 prospective principal officer, board member, or agent shall  
16 submit a full set of fingerprints to the Department of State  
17 Police for the purpose of obtaining a State and federal  
18 criminal records check. These fingerprints shall be checked  
19 against the fingerprint records now and hereafter, to the  
20 extent allowed by law, filed in the Department of State Police  
21 and Federal Bureau of Investigation criminal history records  
22 databases. The Department of State Police shall furnish,  
23 following positive identification, all conviction information  
24 to the Department of Agriculture:

25 (b) When applying for the initial license or identification



1 card, the background checks for all prospective principal  
2 officers, board members, and agents shall be completed before  
3 submitting the application to the licensing or issuing agency.

4 Section 35-40. Renewal of processing organization licenses  
5 and agent identification cards.

6 (a) Licenses and identification cards issued under this Act  
7 shall be renewed annually. A processing organization shall  
8 receive written or electronic notice 90 days before the  
9 expiration of its current license that the license will expire.  
10 The Department of Agriculture shall grant a renewal within 45  
11 days of submission of a renewal application if:

12 (1) the processing organization submits a renewal  
13 application and the required nonrefundable renewal fee of  
14 \$20,000, or, after January 1, 2021, another amount set by  
15 rule by the Department of Agriculture, to be deposited into  
16 the Cannabis Regulation Fund;

17 (2) the Department of Agriculture has not suspended the  
18 license of the processing organization or suspended or  
19 revoked the license for violating this Act or rules adopted  
20 under this Act; and

21 (3) the processing organization has continued to  
22 operate in accordance with all plans submitted as part of  
23 its application and approved by the Department of  
24 Agriculture or any amendments thereto that have been  
25 approved by the Department of Agriculture.

1 (b) If a processing organization fails to renew its license  
2 before expiration, it shall cease operations until its license  
3 is renewed.

4 (c) If a processing organization agent fails to renew his  
5 or her identification card before its expiration, he or she  
6 shall cease to work as an agent of the cannabis business  
7 establishment until his or her identification card is renewed.

8 (d) Any processing organization that continues to operate,  
9 or any processing organization agent who continues to work as  
10 an agent, after the applicable license or identification card  
11 has expired without renewal are subject to the penalties  
12 provided under Section 35-25.

13 (e) The Department shall not renew a license or an agent  
14 identification card if the applicant is delinquent in filing  
15 any required tax returns or paying any amounts owed to the  
16 State of Illinois.

17 ARTICLE 40.

18 TRANSPORTING ORGANIZATIONS

19 Section 40-5. Issuance of licenses.

20 (a) The Department of Agriculture shall issue transporting  
21 licenses through a process provided for in this Article no  
22 later than July 1, 2020.

23 (b) The Department of Agriculture shall make the  
24 application for transporting organization licenses available

1 on January 7, 2020, and shall receive such applications no  
2 later than March 15, 2010. Thereafter, the Department of  
3 Agriculture shall make available such applications on every  
4 January 7 hereafter or if that date falls on a weekend or  
5 holiday, the business day immediately succeeding the weekend or  
6 holiday and shall receive such applications no later than March  
7 31 or succeeding business day thereafter.

8 Section 40-10. Application.

9 (a) When applying for a transporting organization license,  
10 the applicant shall electronically submit the following in such  
11 form as the Department of Agriculture may direct:

12 (1) the nonrefundable application fee of \$5,000 or,  
13 after January 1, 2021, another amount as set by rule by the  
14 Department of Agriculture, to be deposited into the  
15 Cannabis Regulation Fund;

16 (2) the legal name of the transporting organization;

17 (3) the proposed physical address of the transporting  
18 organization, if one is proposed;

19 (4) the name, address, social security number, and date  
20 of birth of each principal officer and board member of the  
21 transporting organization; each principal officer and  
22 board member shall be at least 21 years of age;

23 (5) the details of any administrative or judicial  
24 proceeding in which any of the principal officers or board  
25 members of the transporting organization (i) pled guilty,

1 were convicted, fined, or had a registration or license  
2 suspended or revoked, or (ii) managed or served on the  
3 board of a business or non-profit organization that pled  
4 guilty, was convicted, fined, or had a registration or  
5 license suspended or revoked;

6 (6) proposed operating bylaws that include procedures  
7 for the oversight of the transporting organization,  
8 including the development and implementation of an  
9 accurate recordkeeping plan, staffing plan, and security  
10 plan approved by the Department of State Police that are in  
11 accordance with the rules issued by the Department of  
12 Agriculture under this Act. A physical inventory shall be  
13 performed of all cannabis on a weekly basis by the  
14 transporting organization;

15 (7) verification from the Department of State Police  
16 that all background checks of the prospective principal  
17 officers, board members, and agents of the transporting  
18 organization have been conducted and those persons have not  
19 been convicted of an excluded offense;

20 (8) a copy of the current local zoning ordinance or  
21 permit and verification that the proposed transporting  
22 organization is in compliance with the local zoning rules  
23 and distance limitations established by the local  
24 jurisdiction, if the transporting organization has a  
25 business address;

26 (9) proposed employment practices, in which the

1 applicant must demonstrate a plan of action to inform,  
2 hire, and educate minorities, women, veterans, and persons  
3 with disabilities and engage in fair labor practices and  
4 provide worker protections;

5 (10) whether an applicant can demonstrate experience  
6 in or business practices that promote economic empowerment  
7 in Disproportionately Impacted Areas;

8 (11) the number and type of equipment the transporting  
9 organization will use to transport cannabis and  
10 cannabis-infused products;

11 (12) whether the applicant consents to a labor peace  
12 agreement. The applicant may attest that the applicant has  
13 entered into a labor peace agreement and will abide by the  
14 terms of the agreement. The applicant may submit a copy of  
15 the page of the labor peace agreement that contains the  
16 signatures of the union representative and the applicant;

17 (13) loading, transporting, and unloading plans;

18 (14) a description of the applicant's experience in the  
19 distribution or security business;

20 (15) the identity of every person having a financial or  
21 voting interest of 5% or greater in the transporting  
22 organization with respect to which the license is sought,  
23 whether a trust, corporation, partnership, limited  
24 liability company, or sole proprietorship, including the  
25 name and address of each person; and

26 (20) any other information required by rule.

1 (b) The Department of Agriculture shall make the  
2 application for transporting organization licenses available  
3 on February 1, 2020, or, if that date falls on a weekend or  
4 holiday, the business day immediately succeeding the weekend or  
5 holiday and every February 1 or succeeding business day  
6 thereafter, and shall receive such applications no later than  
7 March 31, 2020, or, if that falls on a weekend or holiday,  
8 every March 31 or succeeding business day thereafter.

9 (c) Applicants must submit all required information,  
10 including that required in Section 40-35 to the Department of  
11 Agriculture. Failure by an applicant to submit all required  
12 information may result in the application being disqualified.

13 (d) If the Department of Agriculture receives an  
14 application with missing information, the Department of  
15 Agriculture may issue a deficiency notice to the applicant. The  
16 applicant shall have 10 calendar days from the date of the  
17 deficiency notice to resubmit the incomplete information.  
18 Applications that are still incomplete after this opportunity  
19 to cure, will not be scored and will be disqualified.

20 Section 40-15. Issuing licenses.

21 (a) The Department of Agriculture shall by rule develop a  
22 system to score processor applications to administratively  
23 rank applications based on the clarity, organization, and  
24 quality of the applicant's responses to required information.  
25 Applicants shall be awarded points according based on the

1 following categories:

2 (1) Suitability of the proposed facility;

3 (2) Proposed staffing;

4 (3) Security plan;

5 (4) Training plan;

6 (5) Business plan;

7 (6) The applicant's status as a Social Equity  
8 Applicant, which shall constitute no less than 12.5% of  
9 total available points;

10 (7) Bonus points based on the applicant's plan to (i)  
11 perform research, (ii) use environmentally friendly  
12 practices, and (iii) engage in philanthropic efforts; (iv)  
13 the existence of a labor peace agreement; (v) the applicant  
14 is 51% or more owned and controlled by an individual or  
15 individuals who have been an Illinois resident for the past  
16 5 years as proved by tax records; and

17 (8) Any other criteria the Department of Agriculture  
18 may set by rule for points or bonus points.

19 (b) Applicants for transportation organization licenses  
20 that score at least 85% of available points according to the  
21 system developed by rule and who meet all other requirements  
22 for a processor license, shall be issued a license by the  
23 Department of Agriculture within 60 days of receiving the  
24 application.

25 (c) Should the applicant be awarded a transportation  
26 organization license, the information and plans that an

1 applicant provided in its application, including any plans  
2 submitted for the acquiring of bonus points, shall be a  
3 mandatory condition of the permit. Any variation from or  
4 failure to perform such plans may result in discipline,  
5 including the revocation or nonrenewal of a license.

6 (d) Should the applicant be awarded a transporting  
7 organization license, it shall pay a fee of \$10,000 prior to  
8 receiving the license, to be deposited into the Cannabis  
9 Regulation Fund. The Department of Agriculture may by rule  
10 adjust the fee in this Section after January 1, 2021.

11 Section 40-20. Denial of application. An application for a  
12 transportation organization license must be denied if any of  
13 the following conditions are met:

14 (1) the applicant failed to submit the materials  
15 required by this Article;

16 (2) the applicant would not be in compliance with local  
17 zoning rules or permit requirements;

18 (3) one or more of the prospective principal officers  
19 or board members has been convicted of an excluded offense;

20 (4) one or more of the prospective principal officers,  
21 or board members causes a violation of Section 40-25;

22 (5) one or more of the principal officers or board  
23 members is under 21 years of age;

24 (6) a principal officer or board member of the  
25 transportation organization has been convicted of a felony



1 under the laws of this State, any other state, or the  
2 United States;

3 (7) a principal officer or board member of the  
4 processor has been convicted of any violation of Article 28  
5 of the Criminal Code of 2012, or substantially similar laws  
6 of any other jurisdiction;

7 (8) the person has submitted an application for a  
8 permit under this Act that contains false information; or

9 (9) the licensee; principal officer, board member, or  
10 person having a financial or voting interest of 5% or  
11 greater in the licensee is delinquent in filing any  
12 required tax returns or paying any amounts owed to the  
13 State of Illinois.

14 Section 40-25. Transporting organization requirements;  
15 prohibitions.

16 (a) The operating documents of a transporting organization  
17 shall include procedures for the oversight of the processor, an  
18 inventory monitoring system including a physical inventory  
19 recorded weekly, accurate recordkeeping, and a staffing plan.

20 (b) A transporting organization shall implement a security  
21 plan reviewed by the Department of State Police that includes,  
22 but is not limited to: route selection plan, stranded vehicle  
23 situations, vehicular hijacking, communication with the  
24 recipient of deliveries, hiring, and any other security  
25 concerns.

1 (c) A transporting organization may not transport cannabis  
2 to any person other than a cultivation center, a craft grower,  
3 a processing organization, a dispensing organization, a  
4 testing facility, or as otherwise authorized by rule.

5 (d) All cannabis transported by a transporting  
6 organization must be entered into a data collection system and  
7 placed into a cannabis container for transport.

8 (e) No person who has been convicted of or pled guilty to  
9 an excluded offense may be a processor agent.

10 (f) Processors are subject to random inspections by the  
11 Department of Agriculture, the Department of Public Health, and  
12 the Department of State Police.

13 (g) A transporting organization agent shall notify local  
14 law enforcement, the Department of State Police, and the  
15 Department of Agriculture within 24 hours of the discovery of  
16 any loss or theft. Notification shall be made by phone or in  
17 person, or by written or electronic communication.

18 (h) No person under the age of 21 years old shall be in a  
19 commercial vehicle or trailer transporting cannabis goods.

20 (i) No person or individual who is not a transporting  
21 organization agent shall be in a vehicle while transporting  
22 cannabis goods.

23 (j) Transporters may not use commercial motor vehicles with  
24 a weight rating of over 10,000 pounds.

25 (k) It is unlawful for any person to offer or deliver  
26 money, or anything else of value, directly or indirectly, to

1 any of the following persons to obtain preferential placement  
2 within the dispensing organization, including without  
3 limitation on shelves and in display cases where purchasers can  
4 view products, or on the dispensing organization's website:

5 (1) a person having a transporting organization  
6 license or any officer, associate, member, representative,  
7 or agent of the licensee;

8 (2) a person having an Early Applicant Adult Use  
9 Dispensing Organization License, an Adult Use Dispensing  
10 Organization License, or a medical cannabis dispensing  
11 organization license issued under the Compassionate Use of  
12 Medical Cannabis Pilot Program Act;

13 (3) a person connected with or in any way representing,  
14 or a member of the family of, a person holding an Early  
15 Applicant Adult Use Dispensing Organization License, an  
16 Adult Use Dispensing Organization License, or a medical  
17 cannabis dispensing organization license issued under the  
18 Compassionate Use of Medical Cannabis Pilot Program Act; or

19 (4) a stockholder, officer, manager, agent, or  
20 representative of a corporation engaged the retail sales of  
21 cannabis, an Early Applicant Adult Use Dispensing  
22 Organization License, an Adult Use Dispensing Organization  
23 License, or a medical cannabis dispensing organization  
24 license issued under the Compassionate Use of Medical  
25 Cannabis Pilot Program Act.

26 (1) A transportation organization agent must keep his or

1 her identification card visible at all times when on the  
2 property of a cannabis business establishment and during the  
3 transportation of cannabis when acting under his or her duties  
4 as a transportation organization agent. During these times, the  
5 cultivation center agent must also provide the identification  
6 card upon request of any law enforcement officer engaged in his  
7 or her official duties.

8 (k) A copy of the transporting organization's registration  
9 and a manifest for the delivery shall be present in any vehicle  
10 transporting cannabis.

11 (l) Cannabis shall be transported so it is not visible or  
12 recognizable from outside the vehicle.

13 (m) A vehicle transporting cannabis must not bear any  
14 markings to indicate the vehicle contains cannabis or bear the  
15 name or logo of the cannabis business establishment.

16 (n) Cannabis must be transported in an enclosed, locked  
17 storage compartment that is secured or affixed to the vehicle.

18 (o) The Department of Agriculture may, by rule, impose any  
19 other requirements or prohibitions on the transportation of  
20 cannabis.

21 Section 40-30. Transporting agent identification card.

22 (a) The Department of Agriculture shall:

23 (1) establish by rule the information required in an  
24 initial application or renewal application for an agent  
25 identification card submitted under this Act and the

1 nonrefundable fee to accompany the initial application or  
2 renewal application;

3 (2) verify the information contained in an initial  
4 application or renewal application for an agent  
5 identification card submitted under this Act, and approve  
6 or deny an application within 30 days of receiving a  
7 completed initial application or renewal application and  
8 all supporting documentation required by rule;

9 (3) issue an agent identification card to a qualifying  
10 agent within 15 business days of approving the initial  
11 application or renewal application;

12 (4) enter the license number of the transporting  
13 organization where the agent works; and

14 (5) allow for an electronic initial application and  
15 renewal application process, and provide a confirmation by  
16 electronic or other methods that an application has been  
17 submitted. Each Department may by rule require prospective  
18 agents to file their applications by electronic means and  
19 to provide notices to the agents by electronic means.

20 (b) An agent must keep his or her identification card  
21 visible at all times when on the property of a cannabis  
22 business establishment including the cannabis business  
23 establishment for which he or she is an agent.

24 (c) The agent identification cards shall contain the  
25 following:

26 (1) the name of the cardholder;

1 (2) the date of issuance and expiration date of the  
2 identification card;

3 (3) a random 10-digit alphanumeric identification  
4 number containing at least 4 numbers and at least 4 letters  
5 that is unique to the holder;

6 (4) a photograph of the cardholder; and

7 (5) the legal name of the cannabis business  
8 establishment employing the agent.

9 (d) An agent identification card shall be immediately  
10 returned to the cannabis business establishment of the agent  
11 upon termination of his or her employment.

12 (e) Any agent identification card lost by processor agent  
13 shall be reported to the Department of State Police and the  
14 Department of Agriculture immediately upon discovery of the  
15 loss.

16 (f) An applicant for an agent identification card shall be  
17 denied if he or she has been convicted of or pled guilty to an  
18 excluded offense.

19 (g) An application for an agent identification card shall  
20 be denied if the applicant is delinquent in filing any required  
21 tax returns or paying any amounts owed to the State of  
22 Illinois.

23 Section 40-35. Transporting organization background  
24 checks.

25 (a) Through the Department of State Police, the licensing

1 or issuing Department shall conduct a background check of the  
2 prospective principal officers, board members, and agents of a  
3 processor applying for a license or identification card under  
4 this Act. The Department of State Police shall charge a fee set  
5 by rule for conducting the criminal history record check, which  
6 shall be deposited into the State Police Services Fund and  
7 shall not exceed the actual cost of the record check. In order  
8 to carry out this provision, each cannabis establishment  
9 prospective principal officer, board member, or agent shall  
10 submit a full set of fingerprints to the Department of State  
11 Police for the purpose of obtaining a State and federal  
12 criminal records check. These fingerprints shall be checked  
13 against the fingerprint records now and hereafter, to the  
14 extent allowed by law, filed in the Department of State Police  
15 and Federal Bureau of Investigation criminal history records  
16 databases. The Department of State Police shall furnish,  
17 following positive identification, all conviction information  
18 to the Department of Agriculture:

19 (b) When applying for the initial license or identification  
20 card, the background checks for all prospective principal  
21 officers, board members, and agents shall be completed before  
22 submitting the application to the licensing or issuing agency.

23 Section 40-40. Renewal of transporting organization  
24 licenses and agent identification cards.

25 (a) Licenses and identification cards issued under this Act

1 shall be renewed annually. A transporting organization shall  
2 receive written or electronic notice 90 days before the  
3 expiration of its current license that the license will expire.  
4 The Department of Agriculture shall grant a renewal within 45  
5 days of submission of a renewal application if:

6 (1) the transporting organization submits a renewal  
7 application and the required nonrefundable renewal fee of  
8 \$10,000, or after January 1, 2021, another amount set by  
9 rule by the Department of Agriculture, to be deposited into  
10 the Cannabis Regulation Fund;

11 (2) the Department of Agriculture has not suspended the  
12 license of the transporting organization or suspended or  
13 revoked the license for violating this Act or rules adopted  
14 under this Act; and

15 (3) the transporting organization has continued to  
16 operate in accordance with all plans submitted as part of  
17 its application and approved by the Department of  
18 Agriculture or any amendments thereto that have been  
19 approved by the Department of Agriculture.

20 (b) If a transporting organization fails to renew its  
21 license before expiration, it shall cease operations until its  
22 license is renewed.

23 (c) If a transporting organization agent fails to renew his  
24 or her identification card before its expiration, he or she  
25 shall cease to work as an agent of the cannabis business  
26 establishment until his or her identification card is renewed.



1 (d) Any transporting organization that continues to  
2 operate, or any transporting organization agent who continues  
3 to work as an agent, after the applicable license or  
4 identification card has expired without renewal are subject to  
5 the penalties provided under Section 45-5.

6 (e) The Department shall not renew a license or an agent  
7 identification card if the applicant is delinquent in filing  
8 any required tax returns or paying any amounts owed to the  
9 State of Illinois.

10 ARTICLE 45.

11 ENFORCEMENT AND IMMUNITIES

12 Section 45-5. License suspension; revocation; other  
13 penalties.

14 (a) Notwithstanding any other criminal penalties related  
15 to the unlawful possession of cannabis, the Department of  
16 Financial and Professional Regulation and the Department of  
17 Agriculture may revoke, suspend, place on probation,  
18 reprimand, issue cease and desist orders, refuse to issue or  
19 renew a license, or take any other disciplinary or  
20 nondisciplinary action as each department may deem proper with  
21 regard to a cannabis business establishment or cannabis  
22 business establishment agents, including fines not to exceed:

23 (1) \$50,000 for each violation of this Act or rules  
24 adopted under this Act by a cultivation center or

1 cultivation center agent;

2 (2) \$10,000 for each violation of this Act or rules  
3 adopted under this Act by a dispensing organization or  
4 dispensing organization agent;

5 (3) \$15,000 for each violation of this Act or rules  
6 adopted under this Act by a craft grower or craft grower  
7 agent;

8 (4) \$10,000 for each violation of this Act or rules  
9 adopted under this Act by a processing organization or  
10 processing organization agent; and

11 (5) \$10,000 for each violation of this Act or rules  
12 adopted under this Act by a transporting organization or  
13 transporting organization agent.

14 (b) The Department of Financial and Professional  
15 Regulation and the Department of Agriculture, as the case may  
16 be, shall consider licensee cooperation in any agency or other  
17 investigation in its determination of penalties imposed under  
18 this Section.

19 (c) The procedures for disciplining a cannabis business  
20 establishment or cannabis business establishment agent and for  
21 administrative hearings shall be determined by rule, and shall  
22 provide for the review of final decisions under the  
23 Administrative Review Law.

24 Section 45-10. Immunities and presumptions related to the  
25 handling of cannabis by cannabis business establishments and

1 their agents.

2 (a) A cultivation center, craft grower, processing  
3 organization, or transporting organization is not subject to:  
4 (i) prosecution; (ii) search or inspection, except by the  
5 Department of Agriculture, the Department of Public Health, or  
6 State or local law enforcement under this Act; (iii) seizure;  
7 (iv) penalty in any manner, including, but not limited to,  
8 civil penalty; (v) denial of any right or privilege; or (vi)  
9 disciplinary action by a business licensing board or entity,  
10 for acting under this Act and rules adopted under this Act to  
11 acquire, possess, cultivate, manufacture, process, deliver,  
12 transfer, transport, supply, or sell cannabis or cannabis  
13 paraphernalia under this Act.

14 (b) A licensed cultivation center agent, licensed craft  
15 grower agent, licensed processing organization agent, or  
16 licensed transporting organization agent is not subject to: (i)  
17 prosecution; (ii) search; (iii) penalty in any manner,  
18 including, but not limited to, civil penalty; (iv) denial of  
19 any right or privilege; or (v) disciplinary action by a  
20 business licensing board or entity, for engaging in  
21 cannabis-related activity authorized under this Act and rules  
22 adopted under this Act.

23 (c) A dispensing organization is not subject to: (i)  
24 prosecution; (ii) search or inspection, except by the  
25 Department of Financial and Professional Regulation, or State  
26 or local law enforcement under this Act; (iii) seizure; (iv)

1 penalty in any manner, including, but not limited to, civil  
2 penalty; (v) denial of any right or privilege; or (vi)  
3 disciplinary action by a business licensing board or entity,  
4 for acting under this Act and rules adopted under this Act to  
5 acquire, possess, or dispense cannabis, cannabis-infused  
6 products, cannabis paraphernalia, or related supplies, and  
7 educational materials under this Act.

8 (d) A licensed dispensing organization agent is not subject  
9 to: (i) prosecution; (ii) search; or (iii) penalty in any  
10 manner, or be denied any right or privilege, including, but not  
11 limited to, civil penalty or disciplinary action by a business  
12 licensing board or entity, for working for a dispensing  
13 organization under this Act and rules adopted under this Act.

14 (e) Any cannabis, cannabis-infused products, cannabis  
15 paraphernalia, legal property, or interest in legal property  
16 that is possessed, owned, or used in connection with the use of  
17 cannabis as allowed under this Act, or acts incidental to that  
18 use, may not be seized or forfeited. This Act does not prevent  
19 the seizure or forfeiture of cannabis exceeding the amounts  
20 allowed under this Act, nor shall it prevent seizure or  
21 forfeiture if the basis for the action is unrelated to the  
22 cannabis that is possessed, manufactured, transferred, or used  
23 under this Act.

24 (f) Nothing in this Act shall preclude local or State law  
25 enforcement agencies from searching a cultivation center,  
26 craft grower, processing organization, transporting

1 organization, or dispensing organization if there is probable  
2 cause to believe that the criminal laws of this State have been  
3 violated and the search is conducted in conformity with the  
4 Illinois Constitution, the Constitution of the United States,  
5 and applicable law.

6 Section 45-15. State standards and requirements. Any  
7 standards, requirements, and rules regarding the health and  
8 safety, environmental protection, testing, security, food  
9 safety, and worker protections established by the State shall  
10 be the minimum standards for all licensees under this Act  
11 statewide, where applicable. Knowing violations of any State or  
12 local law, ordinance, or rule conferring worker protections or  
13 legal rights on the employees of a licensee may be grounds for  
14 disciplinary action under this Act, in addition to penalties  
15 established elsewhere.

16 Section 45-20. Violation of tax Acts; refusal, revocation,  
17 or suspension of license or agent identification card.

18 (a) In addition to other grounds specified in this Act, the  
19 Department of Agriculture and Department of Financial and  
20 Professional Regulation, upon notification by the Department  
21 of Revenue, shall refuse the issuance or renewal of a license  
22 or agent identification card, or suspend or revoke the license  
23 or agent identification card, of any person, for any of the  
24 following violations of any tax Act administered by the

1 Department of Revenue:

2 (1) Failure to make a tax return.

3 (2) The filing of a fraudulent return.

4 (3) Failure to pay all or part of any tax or penalty  
5 finally determined to be due.

6 (4) Failure to keep books and records.

7 (5) Failure to secure and display a certificate or  
8 sub-certificates of registration, if required.

9 (6) Willful violation of any rule or regulation of the  
10 Department relating to the administration and enforcement  
11 of tax liability.

12 (b) After all violations of any of items (1) through (6) of  
13 subsection (a) have been corrected or resolved, the Department  
14 shall, upon request of the applicant or, if not requested, may  
15 notify the entities listed in subsection (a) that the  
16 violations have been corrected or resolved. Upon receiving  
17 notice from the Department that a violation of any of items (1)  
18 through (6) of subsection (a) have been corrected or otherwise  
19 resolved to the Department of Revenue's satisfaction, the  
20 Department of Agriculture and Department of Financial and  
21 Professional Regulation, may issue or renew the license or  
22 agent identification card, or vacate an order of suspension or  
23 revocation.

24 ARTICLE 50.

25 LABORATORY TESTING

1 Section 50-5. Laboratory testing.

2 (a) Notwithstanding any other provision of law, the  
3 following acts, when performed by a cannabis testing facility  
4 with a current, valid registration, or a person 21 years of age  
5 or older who is acting in his or her capacity as an owner,  
6 employee, or agent of a cannabis testing facility, are not  
7 unlawful and shall not be an offense under Illinois law or be a  
8 basis for seizure or forfeiture of assets under State law:

9 (1) possessing, repackaging, transporting, storing, or  
10 displaying cannabis or cannabis products;

11 (2) receiving or transporting cannabis or cannabis  
12 products from a cannabis establishment or a person 21 years  
13 of age or older; and

14 (3) returning or transporting cannabis or cannabis  
15 products to a cannabis establishment, or a person 21 years  
16 of age or older.

17 (b)(1) No laboratory shall handle, test, or analyze  
18 cannabis unless approved by the Department of Agriculture in  
19 accordance with this Section.

20 (2) No laboratory shall be approved to handle, test, or  
21 analyze cannabis unless the laboratory:

22 (A) is accredited by a private laboratory accrediting  
23 organization;

24 (B) is independent from all other persons involved in  
25 the cannabis industry in Illinois and that no person with a

1 direct or indirect interest in the laboratory shall have a  
2 direct or indirect financial, management, or other  
3 interest in an Illinois cultivation center, craft grower,  
4 dispensary, processor, transporter, certifying physician,  
5 or any other entity in the State that may benefit from the  
6 production, and the manufacture, dispensing, sale,  
7 purchase, or use of cannabis; and

8 (C) has employed at least one person to oversee and be  
9 responsible for the laboratory testing who has earned, from  
10 a college or university accredited by a national or  
11 regional certifying authority, at least:

12 (i) a master's level degree in chemical or  
13 biological sciences and a minimum of 2 years  
14 post-degree laboratory experience; or

15 (ii) a bachelor's degree in chemical or biological  
16 sciences and a minimum of 4 years post-degree  
17 laboratory experience.

18 (3) Each independent testing laboratory that claims to be  
19 accredited must provide the Department of Agriculture with a  
20 copy of the most recent annual inspection report granting  
21 accreditation and every annual report thereafter.

22 (c) Immediately before manufacturing or natural processing  
23 of any cannabis or cannabis-infused product or packaging  
24 cannabis for sale to a dispensary, each batch shall be made  
25 available at the cultivation center for an employee annual  
26 report of an approved laboratory to select a random sample,



1 which shall be tested by the approved laboratory for:

2 (1) microbiological contaminants;

3 (2) mycotoxins;

4 (3) pesticide active ingredients;

5 (4) residual solvent; and

6 (5) purposes of conducting an active ingredient  
7 analysis.

8 (d) The Department of Agriculture may select a random  
9 sample that shall, for the purposes of conducting an active  
10 ingredient analysis, be tested by the Department of Agriculture  
11 for verification of label information.

12 (e) A laboratory shall immediately return or dispose of any  
13 cannabis upon the completion of any testing, use, or research.  
14 If cannabis is disposed of, it shall be done in compliance with  
15 Department of Agriculture rule.

16 (f) If a sample of cannabis does not pass the  
17 microbiological, mycotoxin, pesticide chemical residue, or  
18 solvent residue test, based on the standards established by the  
19 Department of Agriculture, the following shall apply:

20 (1) If the sample failed the pesticide chemical residue  
21 test, the entire batch from which the sample was taken  
22 shall, if applicable, be recalled as provided by rule.

23 (2) If the sample failed any other test, the batch may  
24 be used to make a CO<sub>2</sub> or solvent based extract. After  
25 processing, the CO<sub>2</sub> or solvent based extract must still  
26 pass all required tests.

1           (3) The Department of Agriculture may establish  
2 standards for microbial, mycotoxin, pesticide residue,  
3 solvent residue, or other standards for the presence of  
4 possible contaminants, in addition to labeling  
5 requirements for contents and potency.

6           (g) The laboratory shall file with the Department of  
7 Agriculture an electronic copy of each laboratory test result  
8 for any batch that does not pass the microbiological,  
9 mycotoxin, or pesticide chemical residue test, at the same time  
10 that it transmits those results to the cultivation center. In  
11 addition, the laboratory shall maintain the laboratory test  
12 results for at least 5 years and make them available at the  
13 Department of Agriculture's request.

14           (h) A cultivation center, craft grower, and processor shall  
15 provide to a dispensing organization the laboratory test  
16 results for each batch of cannabis product purchased by the  
17 dispensing organization, if sampled. Each dispensary  
18 organization must have those laboratory results available upon  
19 request to purchasers.

20           (i) The Department of Agriculture may adopt rules related  
21 to testing in furtherance of this Act.

22                               ARTICLE 55.

23                               GENERAL PROVISIONS

24           Section 55-5. Preparation of cannabis-infused products.

1 (a) The Department of Agriculture may regulate the  
2 production of cannabis-infused products by a cultivation  
3 center, a craft grower, processing organization, or dispensing  
4 organization and establish rules related to refrigeration,  
5 hot-holding, and handling of cannabis-infused products. All  
6 cannabis-infused products shall meet the packaging and  
7 labeling requirements contained in Section 55-21.

8 (b) Cannabis-infused products for sale or distribution at a  
9 dispensing organization must be prepared by an approved agent  
10 of a cultivation center or processing organization.

11 (c) A cultivation center or processing organization that  
12 prepares cannabis-infused products for sale or distribution by  
13 a dispensing organization shall be under the operational  
14 supervision of a Department of Public Health certified food  
15 service sanitation manager.

16 (d) Dispensing organizations may not manufacture, process,  
17 or produce cannabis-infused products.

18 (e) The Department of Public Health shall adopt and enforce  
19 rules for the manufacture and processing of cannabis-infused  
20 products, and for that purpose it may at all times enter every  
21 building, room, basement, enclosure, or premises occupied or  
22 used, or suspected of being occupied or used, for the  
23 production, preparation, manufacture for sale, storage, sale,  
24 processing, distribution, or transportation of  
25 cannabis-infused products, and to inspect the premises  
26 together with all utensils, fixtures, furniture, and machinery

1 used for the preparation of these products.

2 (g) The Department of Agriculture may by rule establish a  
3 maximum level of THC that may be contained in each serving of  
4 cannabis-infused product, and within the product package.

5 (h) If a local public health agency has a reasonable belief  
6 that a cannabis-infused product poses a public health hazard,  
7 it may refer the cultivation center, craft grower, or processor  
8 that manufactured or process to the cannabis-infused product to  
9 the Department of Public Health. If the Department of Public  
10 Health finds that a cannabis-infused product poses a health  
11 hazard, it may without administrative procedure to bond, bring  
12 an action for immediate injunctive relief to require that  
13 action be taken as the court may deem necessary to meet the  
14 hazard of the cultivation facility or seek other relief as  
15 provided by rule.

16 Section 55-10. Maintenance of inventory. All dispensing  
17 organizations authorized to serve both registered qualifying  
18 patients and caregivers and purchasers are required to report  
19 which cannabis and cannabis-infused products are purchased for  
20 sale under the Compassionate Use of Medical Cannabis Pilot  
21 Program Act, and which cannabis and cannabis-infused products  
22 are purchased under this Act. Nothing in this Section prohibits  
23 a registered qualifying patient under the Compassionate Use of  
24 Medical Cannabis Pilot Program Act from purchasing cannabis as  
25 a purchaser under this Act.

1           Section 55-15. Destruction of cannabis.

2           (a) All cannabis byproduct, scrap, and harvested cannabis  
3 not intended for distribution to a dispensing organization must  
4 be destroyed and disposed of under rules adopted by the  
5 Department of Agriculture under this Act. Documentation of  
6 destruction and disposal shall be retained at the cultivation  
7 center, craft grower, processing organization, transporter, or  
8 testing facility as applicable for a period of not less than 5  
9 years.

10          (b) A cultivation center, craft grower, or processing  
11 organization, shall, before destruction, notify the Department  
12 of Agriculture and the Department of State Police. A dispensing  
13 organization shall, before, destruction, notify the Department  
14 of Financial and Professional Regulation and the Department of  
15 State Police. The Department of Agriculture may by rule require  
16 that an employee of the Department of Agriculture or the  
17 Department of Financial and Professional Regulation be present  
18 during the destruction of any cannabis byproduct, scrap, and  
19 harvested cannabis, as applicable.

20          (c) The cultivation center, craft grower, processing  
21 organization, or dispensing organization shall keep a record of  
22 the date of destruction and how much was destroyed.

23          (d) A dispensing organization shall destroy all cannabis,  
24 including cannabis-infused products, not sold to purchasers.  
25 Documentation of destruction and disposal shall be retained at

1 the dispensing organization for a period of not less than 5  
2 years.

3 Section 55-20. Advertising.

4 (a) No cannabis business establishment nor any other person  
5 or entity shall engage in advertising which contains any  
6 statement or illustration that:

7 (1) Is false or misleading;

8 (2) Promotes overconsumption of cannabis or cannabis  
9 products;

10 (3) Depicts the actual consumption of cannabis or  
11 cannabis products;

12 (4) Depicts a person under 21 years of age consuming  
13 cannabis

14 (5) Makes any health, medicinal or therapeutic claims  
15 about cannabis or cannabis-infused products;

16 (6) Includes the image of a cannabis leaf or bud; or

17 (7) Includes any image designed or likely to appeal to  
18 minors, including cartoons, toys, animals, or children, or  
19 any other likeness to images, characters, or phrases which  
20 is designed in any manner to be appealing to or encourage  
21 consumption of persons less than 21 years of age.

22 (b) No cannabis business establishment nor any other person  
23 or entity shall place or maintain, or cause to be placed or  
24 maintained, an advertisement of cannabis or a cannabis-infused  
25 product in any form or through any medium:

1 (1) within 1,000 feet of the perimeter of a school  
2 grounds, playground, hospital, healthcare facility,  
3 recreation center or facility, child care center, public  
4 park or public library, or any game arcade to which  
5 admission is not restricted to person's age 21 years or  
6 older;

7 (2) on or in a public transit vehicle or public transit  
8 shelter;

9 (3) on or in a publicly owned or publicly operated  
10 property; or

11 (4) which contains information that:

12 (A) is false or misleading;

13 (B) promotes excessive consumption;

14 (C) depicts a person under 21 years of age  
15 consuming cannabis;

16 (D) includes the image of a cannabis leaf; or

17 (E) includes any image designed or likely to appeal  
18 to minors, including cartoons, toys, animals, or  
19 children, or any other likeness to images, characters,  
20 or phrases that are popularly used to advertise to  
21 children, or any imitation of candy packaging or  
22 labeling, or that promotes consumption of cannabis.

23 (c) This Section does not apply to an educational message.

24 Section 55-21. Cannabis product packaging and labeling.

25 (a) Each cannabis product produced for sale shall be

1 registered with the Department of Agriculture on forms provided  
2 by the Department of Agriculture. Each product registration  
3 shall include a label and the required registration fee at the  
4 rate established by the Department of Agriculture for a  
5 comparable medical cannabis product, or as established by rule.  
6 The registration fee is for the name of the product offered for  
7 sale and one fee shall be sufficient for all package sizes.

8 (b) All harvested cannabis intended for distribution to a  
9 cannabis enterprise must be packaged in a sealed, labeled  
10 container.

11 (c) Packaging of any product containing cannabis shall be  
12 child-resistant and light-resistant consistent with current  
13 standards, including the Consumer Product Safety Commission  
14 standards referenced by the Poison Prevention Act.

15 (d) All cannabis-infused products shall be individually  
16 wrapped or packaged at the original point of preparation. The  
17 packaging of the cannabis-infused product shall conform to the  
18 labeling requirements of the Illinois Food, Drug and Cosmetic  
19 Act and, in addition to the other requirements set forth in  
20 this Section.

21 (e) Each cannabis product shall be labeled before sale and  
22 each label shall be securely affixed to the package and shall  
23 state in legible English and any languages required by law:

24 (1) The name and P.O. Box of the registered cultivation  
25 center or craft grower where the item was manufactured;

26 (2) The common or usual name of the item and the



1 registered name of the cannabis product that was registered  
2 with the Department of Agriculture under subsection (a);

3 (3) A unique serial number that will match the product  
4 with a cultivation center or craft grower batch and lot  
5 number to facilitate any warnings or recalls the Department  
6 of Agriculture, cultivation center, or craft grower deems  
7 appropriate;

8 (4) The date of final testing and packaging, if  
9 sampled, and the identification of the independent testing  
10 laboratory;

11 (5) The date of harvest and "use by" date;

12 (6) The quantity (in ounces or grams) of cannabis  
13 contained in the product;

14 (7) A pass/fail rating based on the laboratory's  
15 microbiological, mycotoxins, and pesticide and solvent  
16 residue analyses, if sampled.

17 (8) Content List.

18 (A) A list of the following, including the minimum  
19 and maximum percentage content by weight for  
20 subsections (d) (8) (A) (i) through (iv):

21 (i) delta-9-tetrahydrocannabinol (THC);

22 (ii) tetrahydrocannabinolic acid (THCA);

23 (iii) cannabidiol (CBD);

24 (iv) cannabidiolic acid (CBDA); and

25 (v) all other ingredients of the item,  
26 including any colors, artificial flavors and

1           preservatives, listed in descending order by  
2           predominance of weight shown with common or usual  
3           names.

4           (B) The acceptable tolerances for the minimum  
5           percentage printed on the label for any of subsections  
6           (d) (8) (A) (i) through (iv) shall not be below 85% or  
7           above 115% of the labeled amount;

8       (f) Packaging must not contain information that:

9           (1) is false or misleading;

10          (2) promotes excessive consumption;

11          (3) depicts a person under 21 years of age consuming  
12          cannabis;

13          (4) includes the image of a cannabis leaf;

14          (5) includes any image designed or likely to appeal to  
15          minors, including cartoons, toys, animals, or children, or  
16          any other likeness to images, characters, or phrases that  
17          are popularly used to advertise to children, or any  
18          packaging or labeling that bears reasonable resemblance to  
19          any product available for consumption as a commercially  
20          available candy, or that promotes consumption of cannabis;

21          (6) contains any seal, flag, crest, coat of arms or  
22          other insignia likely to mislead the consumer to believe  
23          that the product has been endorsed, made or used by the  
24          State of Illinois or any of its representatives except  
25          where authorized by this Act.

26       (g) Cannabis products produced by concentrating or

1 extracting ingredients from the cannabis plant shall contain  
2 the following information, where applicable:

3 (1) If solvents were used to create the concentrate or  
4 extract, a statement that discloses the type of extraction  
5 method, including any solvents or gases used to create the  
6 concentrate or extract; and

7 (2) Any other chemicals or compounds used to produce or  
8 were added to the concentrate or extract.

9 (h) All cannabis products must contain warning statements  
10 established for consumers, of a size that is legible and  
11 readily visible to a consumer inspecting a package, which may  
12 not be covered or obscured in any way. The Department of Public  
13 Health may define and update appropriate health warnings for  
14 packages including specific labeling or warning requirements  
15 for specific cannabis products.

16 (i) Unless modified by rule, the following warnings shall  
17 apply to all cannabis products unless modified by rule: "This  
18 product contains cannabis and is intended for use by adults 21  
19 and over. Its use can impair cognition and may be habit  
20 forming. This product should not be used by pregnant or  
21 breastfeeding women. It is unlawful to sell or provide this  
22 item to any individual, and may not be transported outside the  
23 state of Illinois. It is illegal to operate a motor vehicle  
24 while under the influence of cannabis. Possession or use of  
25 this product may carry significant legal penalties in some  
26 jurisdictions and under federal law."

1 (j) Warnings for each of the following product types must  
2 be present on labels when offered for sale to a consumer:

3 (1) Cannabis which may be smoked must contain a  
4 statement that "Smoking is hazardous to your health.".

5 (2) Cannabis-infused products (other than those  
6 intended for topical application) must contain a statement  
7 "CAUTION: This product contains cannabis, and intoxication  
8 following use may be delayed 2 or more hours. This product  
9 was produced in a facility that cultivates cannabis, and  
10 which may also process common food allergens.".

11 (3) Cannabis-infused products intended for topical  
12 application must contain a statement "DO NOT EAT" in bold,  
13 capital letters.

14 (k) Each cannabis-infused product intended for consumption  
15 must be individually packaged, include the total milligram  
16 content of THC and CBD, and may not include more than a total  
17 of 100 milligrams of active per package. A package may contain  
18 multiple servings of 10 milligrams of THC, and indicated by  
19 scoring, wrapping, or by other indicators designating  
20 individual serving sizes. The Department of Public Health may  
21 change the total amount of THC allowed for each package, or the  
22 total amount of THC allowed for each serving size, by rule.

23 (l) No individual other than the purchaser may alter or  
24 destroy any labeling affixed to the primary packaging of  
25 cannabis or cannabis-infused products.

26 (m) For each commercial weighing and measuring equipment

1 device used at a facility, the cultivation center or craft  
2 grower must:

3 (1) Ensure that the commercial device is licensed under  
4 the Weights and Measures Act and the associated  
5 administrative rules (8 Ill. Adm. Code 600);

6 (2) Maintain documentation of the licensure of the  
7 commercial device; and

8 (3) Provide a copy of the license of the commercial  
9 device to the Department of Agriculture for review upon  
10 request.

11 (n) It is the responsibility of the Department to ensure  
12 that packaging and labeling requirements, including product  
13 warnings, are enforced at all times for products provided to  
14 consumers. Product registration requirements and container  
15 requirements may be modified by rule by the Department of  
16 Agriculture.

17 (o) Labeling including warning labels may be modified by  
18 rule by the Department of Agriculture.

19 Section 55-25. Local ordinances. Unless otherwise provided  
20 under this Act or in accordance with State law:

21 (1) A unit of local government, including a home rule  
22 unit or any non-home rule county within the unincorporated  
23 territory of the county, may enact reasonable zoning  
24 ordinances or resolutions, not in conflict with this Act or  
25 rules adopted pursuant to this Act regulating cannabis

1 establishments. No unit of local government, including a  
2 home rule unit, or school district may unreasonably  
3 prohibit home cultivation and use of cannabis authorized by  
4 this Act.

5 (2) A unit of local government, including a home rule  
6 unit or any non-home rule county within the unincorporated  
7 territory of the county, may enact ordinances or rules not  
8 in conflict with this Act or with rules adopted pursuant to  
9 this this Act governing the time, place, manner, and number  
10 of cannabis establishment operations, including minimum  
11 distance limitations between cannabis establishments and  
12 locations it deems sensitive, including colleges and  
13 universities, through the use of conditional use permits. A  
14 unit of local government, including a home rule unit, may  
15 establish civil penalties for violation of an ordinance or  
16 rules governing the time, place, and manner of operation of  
17 a cannabis establishment or a conditional use permit in the  
18 jurisdiction of the unit of local government.

19 (3) A unit of local government, including a home rule  
20 unit, or any non-home rule county within the unincorporated  
21 territory of the county may regulate the consumption of  
22 cannabis within its jurisdiction in a manner consistent  
23 with this Act.

24 (4) A unit of local government, including a home rule  
25 unit or any non-home rule county within the unincorporated  
26 territory of the county, may not regulate the activities

1 described in paragraph (1), (2), or (3) in a manner more  
2 restrictive than the regulation of those activities by the  
3 State under this Act. This Section is a limitation under  
4 subsection (i) of Section 6 of Article VII of the Illinois  
5 Constitution on the concurrent exercise by home rule units  
6 of powers and functions exercised by the State.

7 (5) A unit of local government may regulate the ability  
8 of a cannabis business establishment to operate, provided  
9 that any measure prohibiting or significantly limiting a  
10 cannabis business establishment's location more than one  
11 year from the effective date of this Act must be submitted  
12 to the voters of such unit of local government at a  
13 referendum held in accordance with general election law and  
14 has been approved by a majority of such voters voting on  
15 the question. The corporate authorities of any unit of  
16 local government may certify the question of whether to  
17 enact a zoning ordinance, special use permit, conditions or  
18 requirements that inhibits the location of cannabis  
19 business establishments. Referenda provided for in this  
20 Section may not be held more than once in any 23-month  
21 period.

22 Section 55-30. Confidentiality. Information provided by  
23 cannabis business establishment licensees or applicants to the  
24 Department of Agriculture, the Department of Public Health, the  
25 Department of Financial and Professional Regulation, or other

1 agency shall be limited to information necessary for the  
2 purposes of administering this Act. The information is subject  
3 to the provisions and limitations contained in the Freedom of  
4 Information Act and may be disclosed in accordance with Section  
5 55-65.

6 Section 55-35. Administrative rulemaking.

7 (a) No later than 180 days after the effective date of this  
8 Act, the Department of Agriculture, the Department of State  
9 Police, the Department of Financial and Professional  
10 Regulation, the Department of Revenue, the Department of  
11 Commerce and Economic Opportunity, and the Treasurer's Office  
12 shall adopt permanent rules in accordance with their  
13 responsibilities under this Act. The Department of  
14 Agriculture, the Department of State Police, the Department of  
15 Financial and Professional Regulation, the Department of  
16 Revenue, and the Department of Commerce and Economic  
17 Opportunity may adopt rules necessary to regulate personal  
18 cannabis use through the use of emergency rulemaking in  
19 accordance with subsection (gg) of Section 5-45 of the Illinois  
20 Administrative Procedure Act. The General Assembly finds that  
21 the adoption of rules to regulate cannabis use is deemed an  
22 emergency and necessary for the public interest, safety, and  
23 welfare.

24 (b) The Department of Agriculture rules may address, but  
25 are not limited to, the following matters related to



1 cultivation centers, craft growers, processing organizations,  
2 and transporting organizations with the goal of protecting  
3 against diversion and theft, without imposing an undue burden  
4 on the cultivation centers, craft growers, processing  
5 organizations, or transporting organizations:

6 (1) oversight requirements for cultivation centers,  
7 craft growers, processing organizations, and transporting  
8 organizations;

9 (2) recordkeeping requirements for cultivation  
10 centers, craft growers, processing organizations, and  
11 transporting organizations;

12 (3) security requirements for cultivation centers,  
13 craft growers, processing organizations, and transporting  
14 organizations, which shall include that each cultivation  
15 center, craft grower, processing organization, and  
16 transporting organization location must be protected by a  
17 fully operational security alarm system;

18 (4) standards for enclosed, locked facilities under  
19 this Act;

20 (5) procedures for suspending or revoking the  
21 identification cards of agents of cultivation centers,  
22 craft growers, processing organizations, and transporting  
23 organizations that commit violations of this Act or the  
24 rules adopted under this Section;

25 (6) rules concerning the intrastate transportation of  
26 cannabis from a cultivation center, craft grower,

1 processing organization, and transporting organization to  
2 a dispensing organization;

3 (7) standards concerning the testing, quality,  
4 cultivation, and processing of cannabis; and

5 (8) any other matters under oversight by the Department  
6 of Agriculture as are necessary for the fair, impartial,  
7 stringent, and comprehensive administration of this Act.

8 (c) The Department of Financial and Professional  
9 Regulation rules may address, but are not limited to, the  
10 following matters related to dispensing organizations, with  
11 the goal of protecting against diversion and theft, without  
12 imposing an undue burden on the dispensing organizations:

13 (1) oversight requirements for dispensing  
14 organizations;

15 (2) recordkeeping requirements for dispensing  
16 organizations;

17 (3) security requirements for dispensing  
18 organizations, which shall include that each dispensing  
19 organization location must be protected by a fully  
20 operational security alarm system;

21 (4) procedures for suspending or revoking the licenses  
22 of dispensing organization agents that commit violations  
23 of this Act or the rules adopted under this Act;

24 (5) any other matters under oversight by the Department  
25 of Financial and Professional Regulation that are  
26 necessary for the fair, impartial, stringent, and

1 comprehensive administration of this Act.

2 (d) The Department of Revenue rules may address, but are  
3 not limited to, the following matters related to the payment of  
4 taxes by cannabis business establishments;

5 (1) Recording of sales;

6 (2) Documentation of taxable income and expenses;

7 (3) Transfer of funds for the payment of taxes; or

8 (4) Any other matter under the oversight of the  
9 Department of Revenue.

10 (e) The Department of Commerce and Economic Opportunity  
11 rules may address, but are not limited to, a loan program or  
12 grant program to assist Social Equity Applicants access the  
13 capital needed to start a cannabis business establishment.

14 (f) The Department of State Police rules may address any  
15 matters necessary in the enforcement of this Act.

16 (g) The Department of Public Health shall develop and  
17 disseminate:

18 (1) educational information about the health risks  
19 associated with the use of cannabis; and

20 (2) one or more public education campaigns in  
21 coordination with local health departments and community  
22 organizations, including one or more prevention campaigns  
23 directed at children, adolescents, parents, and  
24 pregnant/breastfeeding women, to inform them of the  
25 potential health risks associated with intentional or  
26 unintentional cannabis use.

1 Section 55-40. Enforcement.

2 (a) If the Department of Agriculture, Department of State  
3 Police, Department of Financial and Professional Regulation,  
4 Department of Commerce and Economic Opportunity, or Department  
5 of Revenue fails to adopt rules to implement this Act within  
6 the times provided in this Act, any citizen may commence a  
7 mandamus action in the circuit court to compel the agencies to  
8 perform the actions mandated under Section 60-5.

9 (b) If the Department of Agriculture or the Department of  
10 Financial and Professional Regulation fails to issue a valid  
11 agent identification card in response to a valid initial  
12 application or renewal application submitted under this Act or  
13 fails to issue a verbal or written notice of denial of the  
14 application within 30 days of its submission, the agent  
15 identification card is deemed granted and a copy of the agent  
16 identification initial application or renewal application  
17 shall be deemed a valid agent identification card.

18 (c) Authorized employees of State or local law enforcement  
19 agencies shall immediately notify the Department of  
20 Agriculture and the Department of Financial and Professional  
21 Regulation when any person in possession of an agent  
22 identification card has been convicted of or pled guilty to  
23 violating this Act.

24 Section 55-45. Administrative hearings.

1           (a) Administrative hearings related to the duties and  
2 responsibilities assigned to the Department of Public Health  
3 shall be conducted under the Department of Public Health's  
4 rules governing administrative hearings.

5           (b) Administrative hearings related to the duties and  
6 responsibilities assigned to the Department of Financial and  
7 Professional Regulation and dispensing organization agents  
8 shall be conducted under the Department of Financial and  
9 Professional Regulation's rules governing administrative  
10 hearings.

11           (c) Administrative hearings related to the duties and  
12 responsibilities assigned to the Department of Agriculture,  
13 cultivation centers, or cultivation center agents shall be  
14 conducted under the Department of Agriculture's rules  
15 governing administrative hearings.

16           Section 55-50. Petition for rehearing. Within 20 days after  
17 the service of any order or decision of the Department of  
18 Public Health, the Department of Agriculture, the Department of  
19 Financial and Professional Regulation, or the Department of  
20 State Police upon any party to the proceeding, the party may  
21 apply for a rehearing in respect to any matters determined by  
22 them under this Act, except for decisions made under the  
23 Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser  
24 Excise Tax Law, the County Cannabis Retailers' Occupation Tax,  
25 and the Municipal Cannabis Purchaser Excise Tax Law, which

1 shall be governed by the provisions of those Laws. If a  
2 rehearing is granted, an agency shall hold the rehearing and  
3 render a decision within 30 days from the filing of the  
4 application for rehearing with the agency. The time for holding  
5 such rehearing and rendering a decision may be extended for a  
6 period not to exceed 30 days, for good cause shown, and by  
7 notice in writing to all parties of interest. If an agency  
8 fails to act on the application for rehearing within 30 days,  
9 or the date the time for rendering a decision was extended for  
10 good cause shown, the order or decision of the agency is final.  
11 No action for the judicial review of any order or decision of  
12 an agency shall be allowed unless the party commencing such  
13 action has first filed an application for a rehearing and the  
14 agency has acted or failed to act upon the application. Only  
15 one rehearing may be granted by an agency on application of any  
16 one party.

17 Section 55-55. Review of administrative decisions. All  
18 final administrative decisions of the Department of Public  
19 Health, the Department of Agriculture, the Department of  
20 Financial and Professional Regulation, and the Department of  
21 State Police are subject to direct judicial review under the  
22 Administrative Review Law and the rules adopted under that Law.  
23 The term "administrative decision" is defined as in Section  
24 3-101 of the Code of Civil Procedure.

1 Section 55-60. Suspension or revocation of a license.

2 (a) The Department of Financial and Professional  
3 Regulation or the Department of Agriculture, as each applies,  
4 may suspend or revoke a license for a violation of this Act or  
5 a rule adopted in accordance with this Act by the Department of  
6 Agriculture, and the Department of Financial and Professional  
7 Regulation.

8 (b) The Department of Agriculture, and the Department of  
9 Financial and Professional Regulation may suspend or revoke an  
10 agent identification card for a violation of this Act or a rule  
11 adopted in accordance with this Act.

12 Section 55-65. Financial institutions.

13 (a) A financial institution that provides financial  
14 services customarily provided by financial institutions to a  
15 cannabis business establishment authorized under this Act or  
16 the Compassionate Use of Medical Cannabis Pilot Program Act is  
17 exempt from any criminal law of this State as it relates to  
18 cannabis-related conduct authorized under State law.

19 (b) Upon request of a financial institution, a cannabis  
20 business establishment or proposed cannabis business  
21 establishment may provide to the financial institution the  
22 following information:

23 (1) Whether a cannabis establishment with which the  
24 financial institution is doing or is considering doing  
25 business holds a license under this Act or the

1 Compassionate Use of Medical Cannabis Pilot Program Act;

2 (2) The name of any other business or individual  
3 affiliate with the cannabis establishment;

4 (3) A copy of the application, and any supporting  
5 documentation submitted with the application, for a  
6 license or a permit submitted on behalf of the proposed  
7 cannabis establishment;

8 (4) If applicable, data relating to sales and the  
9 volume of product sold by the cannabis establishment;

10 (5) Any past or pending violation by the person of this  
11 Act, the Compassionate Use of Medical Cannabis Pilot  
12 Program Act, or the rules adopted under these Acts where  
13 applicable; and

14 (6) Any penalty imposed upon the person for violating  
15 this Act, the Compassionate Use of Medical Cannabis Pilot  
16 Program Act, or the rules adopted under these Acts.

17 (c) Upon receiving a request under subsection (b) of this  
18 Section, the Department of Financial and Professional  
19 Regulation or the Department of Agriculture, as each applies,  
20 shall provide the requesting financial institution with the  
21 requested information.

22 (d) The Department of Financial and Professional  
23 Regulation or the Department of Agriculture, as each applies,  
24 may charge a financial institution a reasonable fee to cover  
25 the administrative costs of providing information under this  
26 Section.



1 (e) Information received by a financial institution under  
2 this Section is confidential. Except as otherwise required or  
3 permitted by this Act, State law or rule, or federal law or  
4 regulation, a financial institution may not make the  
5 information available to any person other than:

6 (1) the customer to whom the information applies;

7 (2) trustee, conservator, guardian, personal  
8 representative, or agent of the customer to whom the  
9 information applies; a federal or State regulator when  
10 requested in connection with an examination of the  
11 financial institution or if otherwise necessary for  
12 complying with federal or State law;

13 (3) a federal or State regulator when requested in  
14 connection with an examination of the financial  
15 institution or if otherwise necessary for complying with  
16 federal or State law; and

17 (4) a third party performing services for the financial  
18 institution, provided the third party is performing such  
19 services under a written agreement that expressly or by  
20 operation of law prohibits the third party's sharing and  
21 use of such confidential information for any purpose other  
22 than as provided in its agreement to provide services to  
23 the financial institution.

24 (f) The Department of Financial and Professional  
25 Regulation shall evaluate and adopt rules that encourage  
26 financial institutions to provide financial services to

1 cannabis business enterprises and encourage institutions to  
2 offer benefits within Disproportionately Impacted Areas.

3 Section 55-75. Contracts enforceable. It is the public  
4 policy of this State that contracts related to the operation of  
5 a lawful cannabis establishment under this Act are enforceable.  
6 It is the public policy of this State that no contract entered  
7 into by a lawful cannabis business establishment or its agents  
8 on behalf of a cannabis business establishment, or by those who  
9 allow property to be used by a cannabis business establishment,  
10 shall be unenforceable on the basis that cultivating,  
11 obtaining, manufacturing, processing, distributing,  
12 dispensing, transporting, selling, possessing, or using  
13 cannabis or hemp is prohibited by federal law.

14 Section 55-80. Annual reports.

15 (a) The Department of Financial and Professional  
16 Regulation shall submit to the General Assembly and Governor a  
17 report, by September 30 of each year, that does not disclose  
18 any information identifying information about cultivation  
19 centers, craft growers, processing organizations, transporting  
20 organizations, or dispensing organizations, but does contain  
21 at a minimum, all of the following information for the previous  
22 fiscal year:

23 (1) The number of licenses issued to dispensing  
24 organizations by county, or, in counties with greater than

1 3,000,000 residents, by zip code;

2 (2) The total number of dispensing organization owners  
3 that are minority persons, women, or persons with  
4 disabilities as those terms are defined in the Business  
5 Enterprise for Minorities, Women, and Persons with  
6 Disabilities Act;

7 (3) The total number of revenues received from  
8 dispensing organizations, segregated from revenues  
9 received from dispensing organizations under the  
10 Compassionate Use of Medical Cannabis Pilot Program Act by  
11 county, separated by source of revenue;

12 (4) The total amount of revenue received from  
13 dispensing organizations that share a premises or majority  
14 ownership with a craft grower;

15 (5) The total amount of revenue received from  
16 dispensing organizations that share a premises or majority  
17 ownership with a processor; and

18 (6) An analysis of revenue generated from taxation,  
19 licensing, and other fees for the State, including  
20 recommendations to change the tax rate applied.

21 (b) The Department of Agriculture shall submit to the  
22 General Assembly and Governor a report, by September 30 of each  
23 year, that does not disclose any information identifying  
24 information about cultivation centers, craft growers,  
25 processing organizations, transporting organizations, or  
26 dispensing organizations, but does contain at a minimum, all of

1 the following information for the previous fiscal year:

2 (1) The number of licenses issued to cultivation  
3 centers, craft growers, processors, and transporters by  
4 license type, and, in counties with more than 3,000,000  
5 residents, by zip code;

6 (2) The total number of cultivation centers, craft  
7 growers, processors, and transporters by license type that  
8 are minority persons, women, or persons with disabilities  
9 as those terms are defined in the Business Enterprise for  
10 Minorities, Women, and Persons with Disabilities Act;

11 (3) The total amount of revenue received from  
12 cultivation centers, craft growers, processors, and  
13 transporters, separated by license types and source of  
14 revenue;

15 (4) The total amount of revenue received from craft  
16 growers and processors that share a premises or majority  
17 ownership with a dispensing organization;

18 (5) The total amount of revenue received from craft  
19 growers that share a premises or majority ownership with a  
20 processor, but do not share a premises or ownership with a  
21 dispensary;

22 (6) The total amount of revenue received from  
23 processors that share a premises or majority ownership with  
24 a craft grower, but do not share a premises or ownership  
25 with a dispensary;

26 (7) The total amount of revenue received from craft

1 growers that share a premises or majority ownership with a  
2 dispensing organization, but do not share a premises or  
3 ownership with a processor;

4 (8) The total amount of revenue received from  
5 processors that share a premises or majority ownership with  
6 a dispensing organization, but do not share a premises or  
7 ownership with a craft grower;

8 (9) The total amount of revenue received from  
9 transporters; and

10 (10) An analysis of revenue generated from taxation,  
11 licensing, and other fees for the State, including  
12 recommendations to change the tax rate applied.

13 (c) The Department of State Police shall submit to the  
14 General Assembly and Governor a report, by September 30 of each  
15 year that contains at a minimum, all of the following  
16 information for the previous fiscal year:

17 (1) The effect of regulation and taxation of cannabis  
18 on law enforcement resources;

19 (2) The impact of regulation and taxation of cannabis  
20 on highway safety and rates of impaired driving, where  
21 impairment was determined based on failure of a Field  
22 Sobriety Test;

23 (3) The available and emerging methods for detecting  
24 the metabolites for delta-9-tetrahydrocannabinol in bodily  
25 fluids, including without limitation blood and saliva;

26 (4) The effectiveness of current DUI laws and

1 recommendations for improvements to policy to better  
2 ensure safe highways and fair laws.

3 (d) The Public Health Advisory Committee shall submit to  
4 the General Assembly and Governor a report, by September 30 of  
5 each year, that does not disclose any identifying information  
6 about any individuals, but does contain at a minimum:

7 (1) Self-reported youth cannabis use, as published in  
8 the most recent Illinois Youth Survey available;

9 (2) Self-reported adult cannabis use, as published in  
10 the most recent Behavioral Risk Factor Surveillance Survey  
11 available;

12 (3) Hospital room admissions and hospital utilization  
13 rates caused by cannabis consumption, including the  
14 presence or detection of other drugs;

15 (4) Overdoses of cannabis and poison control data,  
16 including the presence of other drugs that may have  
17 contributed;

18 (5) Incidents of impaired driving caused by the  
19 consumption of cannabis or cannabis products, including  
20 the presence of other drugs or alcohol which may have  
21 contributed to the impaired driving;

22 (6) Prevalence of infants born testing positive for  
23 cannabis or delta-9-tetrahydrocannabinol, including  
24 demographic and racial information on which infants are  
25 tested;

26 (7) Public perceptions of use and risk of harm;

1 (8) Revenue collected from cannabis taxation and how  
2 that revenue was used;

3 (9) Cannabis retail licenses granted and locations

4 (10) Cannabis-related arrests; and

5 (11) Number of individuals completing required bud  
6 tender training.

7 (e) Each agency or committee submitting reports under this  
8 Section may consult with one another in the preparation of each  
9 report.

10 Section 55-85. Medical cannabis.

11 (a) Nothing in this Act shall be construed to limit any  
12 privileges or rights of a medical cannabis patient including  
13 minor patients, primary caregiver, medical cannabis  
14 cultivation center, or medical cannabis dispensing  
15 organization under the Compassionate Use of Medical Cannabis  
16 Pilot Program Act, and where there is conflict between this Act  
17 and the Compassionate Use of Medical Cannabis Pilot Program Act  
18 as they relate to medical cannabis patients, the Compassionate  
19 Use of Medical Cannabis Pilot Program Act shall prevail.

20 (b) Dispensary locations that obtain an Early Approval  
21 Adult Use Dispensary Organization License or an Adult Use  
22 Dispensary Organization License in accordance with this Act at  
23 the same location as a medical cannabis dispensing organization  
24 registered under the Compassionate Use of Medical Cannabis  
25 Pilot Program Act shall maintain an inventory of medical

1 cannabis and medical cannabis products on a monthly basis that  
2 is substantially similar in variety and quantity to the  
3 products offered at the dispensary during the 6-month period  
4 immediately before the effective date of this Act.

5 (c) Beginning June 30, 2020, the Department of Agriculture  
6 shall make a quarterly determination whether inventory  
7 requirements established for dual use dispensaries in  
8 subsection (b) should be adjusted due to changing patient need.

9 Section 55-90. Home rule preemption. Except as otherwise  
10 provided in this Act, the regulation and licensing of the  
11 activities described in this Act are exclusive powers and  
12 functions of the State. Except as otherwise provided in this  
13 Act, a unit of local government, including a home rule unit,  
14 may not regulate or license the activities described in this  
15 Act. This Section is a denial and limitation of home rule  
16 powers and functions under subsection (h) of Section 6 of  
17 Article VII of the Illinois Constitution.

18 ARTICLE 60.

19 CANNABIS CULTIVATION PRIVILEGE TAX

20 Section 60-1. Short title. This Article may be referred to  
21 as the Cannabis Cultivation Privilege Tax Law.

22 Section 60-5. Definitions. In this Article:



1 "Cannabis" has the meaning given to that term in Article 1  
2 of this Act, except that it does not include cannabis that is  
3 subject to tax under the Compassionate Use of Medical Cannabis  
4 Pilot Program Act.

5 "Craft grower" has the meaning given to that term in  
6 Article 1 of this Act.

7 "Cultivation center" has the meaning given to that term in  
8 Article 1 of this Act.

9 "Cultivator" or "taxpayer" means a cultivation center or  
10 craft grower who is subject to tax under this Article.

11 "Department" means the Department of Revenue.

12 "Director" means the Director of Revenue.

13 "Dispensing organization" or "dispensary" has the meaning  
14 given to that term in Article 1 of this Act.

15 "Gross receipts" from the sales of cannabis by a cultivator  
16 means the total selling price or the amount of such sales, as  
17 defined in this Article. The amount thereof shall be included  
18 only when payments are received by the cultivator.

19 "Person" means a natural individual, firm, partnership,  
20 association, joint stock company, joint adventure, public or  
21 private corporation, limited liability company, or a receiver,  
22 executor, trustee, guardian, or other representative appointed  
23 by order of any court.

24 "Processor" means "processing organization" or "processor"  
25 as defined in Article 1 of this Act.

26 "Selling price" or "amount of sale" means the consideration

1 for a sale valued in money whether received in money or  
2 otherwise, including cash, credits, property, and services,  
3 and shall be determined without any deduction on account of the  
4 cost of the property sold, the cost of materials used, labor or  
5 service cost, or any other expense whatsoever, but does not  
6 include separately stated charges identified on the invoice by  
7 cultivators to reimburse themselves for their tax liability  
8 under this Article.

9 Section 60-10. Tax imposed.

10 (a) Beginning on September 1, 2019, a tax is imposed upon  
11 the privilege of cultivating cannabis at the rate of 7% of the  
12 gross receipts from the first sale of cannabis by a cultivator.  
13 The sale of any product that contains any amount of cannabis or  
14 any derivative thereof is subject to the tax under this Section  
15 on the full selling price of the product. The Department may  
16 determine the selling price of the cannabis when the seller and  
17 purchaser are affiliated persons, when the sale and purchase of  
18 cannabis is not an arm's length transaction, or when cannabis  
19 is transferred by a craft grower to the craft grower's  
20 dispensing organization and a value is not established for the  
21 cannabis. The value determined by the Department shall be  
22 commensurate with the actual price received for products of  
23 like quality, character, and use in the area. If there are no  
24 sales of cannabis of like quality, character, and use in the  
25 same area, then the Department shall establish a reasonable

1 value based on sales of products of like quality, character,  
2 and use in other areas of the State, taking into consideration  
3 any other relevant factors.

4 (b) The Cannabis Cultivation Privilege Tax imposed under  
5 this Article is solely the responsibility of the cultivator who  
6 makes the first sale and is not the responsibility of a  
7 subsequent purchaser, a dispensing organization, or a  
8 processor. Persons subject to the tax imposed under this  
9 Article may, however, reimburse themselves for their tax  
10 liability hereunder by separately stating reimbursement for  
11 their tax liability as an additional charge. (c) The tax  
12 imposed under this Article shall be in addition to all other  
13 occupation, privilege, or excise taxes imposed by the State of  
14 Illinois or by any unit of local government.

15 Section 60-15. Registration of cultivators. Every  
16 cultivator and craft grower subject to the tax under this  
17 Article shall apply to the Department of Revenue for a  
18 certificate of registration under this Article. All  
19 applications for registration under this Article shall be made  
20 by electronic means in the form and manner required by the  
21 Department. For that purpose, the provisions of Section 2a of  
22 the Retailers' Occupation Tax Act are incorporated into this  
23 Article to the extent not inconsistent with this Article. In  
24 addition, no certificate of registration shall be issued under  
25 this Article unless the applicant is licensed under this Act.

1       Section 60-20. Return and payment of cannabis cultivation  
2       privilege tax. Each person who is required to pay the tax  
3       imposed by this Article shall make a return to the Department  
4       on or before the 20th day of each month for the preceding  
5       calendar month stating the following:

6               (1) the taxpayer's name;

7               (2) the address of the taxpayer's principal place of  
8       business and the address of the principal place of  
9       business(if that is a different address) from which the  
10      taxpayer is engaged in the business of cultivating cannabis  
11      subject to tax under this Article;

12              (3) the total amount of receipts received by the  
13      taxpayer during the preceding calendar month from sales of  
14      cannabis subject to tax under this Article by the taxpayer  
15      during the preceding calendar month;

16              (4) the total amount received by the taxpayer during  
17      the preceding calendar month on charge and time sales of  
18      cannabis subject to tax imposed under this Article by the  
19      taxpayer before the month for which the return is filed;

20              (5) deductions allowed by law;

21              (6) gross receipts that were received by the taxpayer  
22      during the preceding calendar month and upon the basis of  
23      which the tax is imposed;

24              (7) the amount of tax due;

25              (8) the signature of the taxpayer; and

1           (9) any other information as the Department may  
2 reasonably require.

3           All returns required to be filed and payments required to  
4 be made under this Article shall be by electronic means.  
5 Taxpayers who demonstrate hardship in paying electronically  
6 may petition the Department to waive the electronic payment  
7 requirement. The Department may require a separate return for  
8 the tax under this Article or combine the return for the tax  
9 under this Article with the return for the tax under the  
10 Compassionate Use of Medical Cannabis Pilot Program Act. If the  
11 return for the tax under this Article is combined with the  
12 return for tax under the Compassionate Use of Medical Cannabis  
13 Pilot Program Act, then the vendor's discount allowed under  
14 this Section and any cap on that discount shall apply to the  
15 combined return. The taxpayer making the return provided for in  
16 this Section shall also pay to the Department, in accordance  
17 with this Section, the amount of tax imposed by this Article,  
18 less a discount of 1.75%, but not to exceed \$1,000 per return  
19 period, which is allowed to reimburse the taxpayer for the  
20 expenses incurred in keeping records, collecting tax,  
21 preparing and filing returns, remitting the tax, and supplying  
22 data to the Department upon request. No discount may be claimed  
23 by a taxpayer on returns not timely filed and for taxes not  
24 timely remitted. No discount may be claimed by a taxpayer for  
25 any payment that is not made electronically, unless a waiver  
26 has been granted under this Section. Any amount that is

1 required to be shown or reported on any return or other  
2 document under this Article shall, if the amount is not a  
3 whole-dollar amount, be increased to the nearest whole-dollar  
4 amount if the fractional part of a dollar is \$0.50 or more and  
5 decreased to the nearest whole-dollar amount if the fractional  
6 part of a dollar is less than \$0.50. If a total amount of less  
7 than \$1 is payable, refundable, or creditable, the amount shall  
8 be disregarded if it is less than \$0.50 and shall be increased  
9 to \$1 if it is \$0.50 or more. Notwithstanding any other  
10 provision in this Article concerning the time within which a  
11 taxpayer may file a return, any such taxpayer who ceases to  
12 engage in the kind of business that makes the person  
13 responsible for filing returns under this Article shall file a  
14 final return under this Article with the Department within one  
15 month after discontinuing such business.

16 Each taxpayer under this Article shall make estimated  
17 payments to the Department on or before the 7th, 15th, 22nd,  
18 and last day of the month during which tax liability to the  
19 Department is incurred. The payments shall be in an amount not  
20 less than the lower of either 22.5% of the taxpayer's actual  
21 tax liability for the month or 25% of the taxpayer's actual tax  
22 liability for the same calendar month of the preceding year.  
23 The amount of the quarter-monthly payments shall be credited  
24 against the final tax liability of the taxpayer's return for  
25 that month. Except as otherwise provided in this paragraph with  
26 respect to the taxpayer's first year of paying tax under this

1 Article, if any quarter-monthly payment is not paid at the time  
2 or in the amount required by this Section, then the taxpayer  
3 shall be liable for penalties and interest on the difference  
4 between the minimum amount due as a payment and the amount of  
5 the quarter-monthly payment actually and timely paid, except  
6 insofar as the taxpayer has previously made payments for that  
7 month to the Department in excess of the minimum payments  
8 previously due as provided in this Section.

9 If any payment provided for in this Section exceeds the  
10 taxpayer's liabilities under this Article, as shown on an  
11 original monthly return, the Department shall, if requested by  
12 the taxpayer, issue to the taxpayer a credit memorandum no  
13 later than 30 days after the date of payment. The credit  
14 evidenced by the credit memorandum may be assigned by the  
15 taxpayer to a similar taxpayer under this Act, in accordance  
16 with reasonable rules to be prescribed by the Department. If no  
17 such request is made, the taxpayer may credit the excess  
18 payment against tax liability subsequently to be remitted to  
19 the Department under this Act, in accordance with reasonable  
20 rules prescribed by the Department. If the Department  
21 subsequently determines that all or any part of the credit  
22 taken was not actually due to the taxpayer, the taxpayer's  
23 discount shall be reduced, if necessary, to reflect the  
24 difference between the credit taken and that actually due, and  
25 that taxpayer shall be liable for penalties and interest on the  
26 difference.

1        If a taxpayer fails to sign a return within 30 days after  
2        the proper notice and demand for signature by the Department is  
3        received by the taxpayer, the return shall be considered valid  
4        and any amount shown to be due on the return shall be deemed  
5        assessed.

6        Section 60-25. Processor information returns. If it is  
7        deemed necessary for the administration of this Article, the  
8        Department may adopt rules that require processors to file  
9        information returns regarding the sale of cannabis by  
10       processors to dispensaries. The Department may require  
11       processors to file all information returns by electronic means.

12       Section 60-30. Deposit of proceeds. All moneys received by  
13       the Department under this Article shall be deposited into the  
14       Cannabis Regulation Fund.

15       Section 60-35. Department administration and enforcement.  
16       The Department shall have full power to administer and enforce  
17       this Article, to collect all taxes, penalties, and interest due  
18       hereunder, to dispose of taxes, penalties and interest so  
19       collected in the manner hereinafter provided, and to determine  
20       all rights to credit memoranda, arising on account of the  
21       erroneous payment of tax, penalty, or interest hereunder. In  
22       the administration of, and compliance with, this Article, the  
23       Department and persons who are subject to this Article shall



1 have the same rights, remedies, privileges, immunities, powers  
2 and duties, and be subject to the same conditions,  
3 restrictions, limitations, penalties and definitions of terms,  
4 and employ the same modes of procedure, as are prescribed in  
5 Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g,  
6 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of  
7 the Retailers' Occupation Tax Act and all of the provisions of  
8 the Uniform Penalty and Interest Act, which are not  
9 inconsistent with this Article, as fully as if those provisions  
10 were set forth herein. For purposes of this Section, references  
11 in the Retailers' Occupation Tax Act to a "sale of tangible  
12 personal property at retail" shall mean the "sale of cannabis  
13 by a cultivator".

14 Section 60-40. Invoices. Every sales invoice for cannabis  
15 issued by a cultivator to a cannabis establishment shall  
16 contain the cultivator's certificate of registration number  
17 assigned under this Article, date, invoice number, purchaser's  
18 name and address, selling price, amount of cannabis,  
19 concentrate, or cannabis-infused product, and any other  
20 reasonable information as the Department may provide by rule is  
21 necessary for the administration of this Article. Cultivators  
22 shall retain the invoices for inspection by the Department.

23 Section 60-45. Rules. The Department may adopt rules  
24 related to the enforcement of this Article.

ARTICLE 65.

CANNABIS PURCHASER EXCISE TAX

Section 65-1. Short title. This Article may be referred to as the Cannabis Purchaser Excise Tax Law.

Section 65-5. Definitions. In this Article:

"Adjusted delta-9-tetrahydrocannabinol level" means, for a delta-9-tetrahydrocannabinol dominant product, the sum of the percentage of delta-9-tetrahydrocannabinol plus .877 multiplied by the percentage of tetrahydrocannabinolic acid.

"Cannabis" has the meaning given to that term in Article 1 of this Act, except that it does not include cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act.

"Cannabis-infused product" means beverage food, oils, ointments, tincture, topical formulation, or another product containing cannabis that is not intended to be smoked.

"Cannabis retailer" means a dispensing organization that sells cannabis for use and not for resale.

"Craft grower" has the meaning given to that term in Article 1 of this Act.

"Department" means the Department of Revenue.

"Director" means the Director of Revenue.

"Dispensing organization" or "dispensary" has the meaning

1 given to that term in Article 1 of this Act.

2 "Person" means a natural individual, firm, partnership,  
3 association, joint stock company, joint adventure, public or  
4 private corporation, limited liability company, or a receiver,  
5 executor, trustee, guardian, or other representative appointed  
6 by order of any court.

7 "Processor" means "processing organization" or "processor"  
8 as defined in Article 1 of this Act.

9 "Purchase price" means the consideration paid for a  
10 purchase of cannabis, valued in money, whether received in  
11 money or otherwise, including cash, gift cards, credits, and  
12 property and shall be determined without any deduction on  
13 account of the cost of materials used, labor or service costs,  
14 or any other expense whatsoever. However, "purchase price" does  
15 not include consideration paid for:

16 (1) any charge for a payment that is not honored by a  
17 financial institution;

18 (2) any finance or credit charge, penalty or charge for  
19 delayed payment, or discount for prompt payment; and

20 (3) any amounts added to a purchaser's bill because of  
21 charges made under the tax imposed by this Article, the  
22 Municipal Cannabis Purchaser Excise Tax Law, the  
23 Retailers' Occupation Tax Act, the Use Tax Act, the Service  
24 Occupation Tax Act, the Service Use Tax Act, or any locally  
25 imposed occupation or use tax.

26 "Purchaser" means a person who acquires cannabis for a

1 valuable consideration.

2 "Taxpayer" means a cannabis retailer who is required to  
3 collect the tax imposed under this Article.

4 Section 65-10. Tax imposed.

5 (a) Beginning on January 1, 2020, a tax is imposed upon  
6 purchases for the privilege of using cannabis at the following  
7 rates:

8 (1) Any cannabis, other than a cannabis-infused  
9 product, with an adjusted delta-9-tetrahydrocannabinol  
10 level at or below 35% shall be taxed at a rate of 10% of the  
11 purchase price;

12 (2) Any cannabis, other than a cannabis-infused  
13 product, with an adjusted delta-9-tetrahydrocannabinol  
14 level above 35% shall be taxed at a rate of 25% of the  
15 purchase price; and

16 (3) A cannabis-infused product, shall be taxed at a  
17 rate of 20%.

18 (b) The purchase of any product that contains any amount of  
19 cannabis or any derivative thereof is subject to the tax under  
20 subsection (a) of this Section.

21 (c) The tax imposed under this Section is not imposed on  
22 cannabis that is subject to tax under the Compassionate Use of  
23 Medical Cannabis Pilot Program Act. The tax imposed by this  
24 Section is not imposed with respect to any transaction in  
25 interstate commerce, to the extent the transaction may not,

1 under the Constitution and statutes of the United States, be  
2 made the subject of taxation by this State.

3 (d) The tax imposed under this Article shall be in addition  
4 to all other occupation, privilege, or excise taxes imposed by  
5 the State of Illinois or by any municipal corporation or  
6 political subdivision thereof.

7 (e) The tax imposed under this Article shall not be imposed  
8 on any purchase by a purchaser if the cannabis retailer is  
9 prohibited by federal or State Constitution, treaty,  
10 convention, statute, or court decision from collecting the tax  
11 from the purchaser.

12 Section 65-11. Bundling of taxable and nontaxable items;  
13 prohibition; taxation. If a cannabis retailer sells cannabis,  
14 concentrate, or cannabis-infused products in combination or  
15 bundled with items that are not subject to tax under this Act  
16 for one price in violation of the prohibition on this activity  
17 under Section 15-70, then the tax under this Act is imposed on  
18 the purchase price of the entire bundled product.

19 Section 65-15. Collection of tax.

20 (a) The tax imposed by this Article shall be collected from  
21 the purchaser by the cannabis retailer at the rate stated in  
22 Section 65-10 with respect to cannabis sold by the cannabis  
23 retailer to the purchaser, and shall be remitted to the  
24 Department as provided in Section 65-30. All sales to a

1 purchaser who is not a cardholder under the Compassionate Use  
2 of Medical Cannabis Pilot Program Act are presumed subject to  
3 tax collection. Cannabis retailers shall collect the tax from  
4 purchasers by adding the tax to the amount of the purchase  
5 price received from the purchaser for selling cannabis to the  
6 purchaser. The tax imposed by this Article shall, when  
7 collected, be stated as a distinct item separate and apart from  
8 the purchase price of the cannabis.

9 (b) If a cannabis retailer collects Cannabis Purchaser  
10 Excise Tax measured by a purchase price that is not subject to  
11 Cannabis Purchaser Excise Tax, or if a cannabis retailer, in  
12 collecting Cannabis Purchaser Excise Tax measured by a purchase  
13 price that is subject to tax under this Act, collects more from  
14 the purchaser than the required amount of the Cannabis  
15 Purchaser Excise Tax on the transaction, the purchaser shall  
16 have a legal right to claim a refund of that amount from the  
17 cannabis retailer. If, however, that amount is not refunded to  
18 the purchaser for any reason, the cannabis retailer is liable  
19 to pay that amount to the Department.

20 (c) Any person purchasing cannabis subject to tax under  
21 this Article as to which there has been no charge made to him  
22 or her of the tax imposed by Section 65-10 shall make payment  
23 of the tax imposed by Section 65-10 in the form and manner  
24 provided by the Department not later than the 20th day of the  
25 month following the month of purchase of the cannabis.

1       Section 65-20. Registration of cannabis retailers. Every  
2       cannabis retailer required to collect the tax under this  
3       Article shall apply to the Department for a certificate of  
4       registration under this Article. All applications for  
5       registration under this Article shall be made by electronic  
6       means in the form and manner required by the Department. For  
7       that purpose, the provisions of Section 2a of the Retailers'  
8       Occupation Tax Act are incorporated into this Article to the  
9       extent not inconsistent with this Article. In addition, no  
10      certificate of registration shall be issued under this Article  
11      unless the applicant is licensed under this Act.

12      Section 65-25. Tax collected as debt owed to State. Any  
13      cannabis retailer required to collect the tax imposed by this  
14      Article shall be liable to the Department for the tax, whether  
15      or not the tax has been collected by the cannabis retailer, and  
16      any such tax shall constitute a debt owed by the cannabis  
17      retailer to this State. To the extent that a cannabis retailer  
18      required to collect the tax imposed by this Act has actually  
19      collected that tax, the tax is held in trust for the benefit of  
20      the Department.

21      Section 65-30. Return and payment of tax by cannabis  
22      retailer. Each cannabis retailer that is required or authorized  
23      to collect the tax imposed by this Article shall make a return  
24      to the Department, by electronic means, on or before the 20th

1 day of each month for the preceding calendar month stating the  
2 following:

3 (1) the cannabis retailer's name;

4 (2) the address of the cannabis retailer's principal  
5 place of business and the address of the principal place of  
6 business (if that is a different address) from which the  
7 cannabis retailer engaged in the business of selling  
8 cannabis subject to tax under this Article;

9 (3) the total purchase price received by the cannabis  
10 retailer for cannabis subject to tax under this Article;

11 (4) the amount of tax due at each rate;

12 (5) the signature of the cannabis retailer; and

13 (6) any other information as the Department may  
14 reasonably require.

15 All returns required to be filed and payments required to  
16 be made under this Article shall be by electronic means.  
17 Cannabis retailers who demonstrate hardship in paying  
18 electronically may petition the Department to waive the  
19 electronic payment requirement.

20 Any amount that is required to be shown or reported on any  
21 return or other document under this Article shall, if the  
22 amount is not a whole-dollar amount, be increased to the  
23 nearest whole-dollar amount if the fractional part of a dollar  
24 is \$0.50 or more and decreased to the nearest whole-dollar  
25 amount if the fractional part of a dollar is less than \$0.50.  
26 If a total amount of less than \$1 is payable, refundable, or



1     creditable, the amount shall be disregarded if it is less than  
2     \$0.50 and shall be increased to \$1 if it is \$0.50 or more. The  
3     cannabis retailer making the return provided for in this  
4     Section shall also pay to the Department, in accordance with  
5     this Section, the amount of tax imposed by this Article, less a  
6     discount of 1.75%, but not to exceed \$1,000 per return period,  
7     which is allowed to reimburse the cannabis retailer for the  
8     expenses incurred in keeping records, collecting tax,  
9     preparing and filing returns, remitting the tax, and supplying  
10    data to the Department upon request. No discount may be claimed  
11    by a cannabis retailer on returns not timely filed and for  
12    taxes not timely remitted. No discount may be claimed by a  
13    taxpayer or for any payment that is not made electronically,  
14    unless a waiver has been granted under this Section.

15       Notwithstanding any other provision in this Article  
16    concerning the time within which a cannabis retailer may file a  
17    return, any such cannabis retailer who ceases to engage in the  
18    kind of business that makes the person responsible for filing  
19    returns under this Article shall file a final return under this  
20    Article with the Department within one month after  
21    discontinuing the business.

22       Each cannabis retailer shall make estimated payments to the  
23    Department on or before the 7th, 15th, 22nd, and last day of  
24    the month during which tax liability to the Department is  
25    incurred. The payments shall be in an amount not less than the  
26    lower of either 22.5% of the cannabis retailer's actual tax

1 liability for the month or 25% of the cannabis retailer's  
2 actual tax liability for the same calendar month of the  
3 preceding year. The amount of the quarter-monthly payments  
4 shall be credited against the final tax liability of the  
5 cannabis retailer's return for that month. Except as otherwise  
6 provided in this paragraph with respect to the cannabis  
7 retailer's first year of paying tax under this Article, if any  
8 such quarter-monthly payment is not paid at the time or in the  
9 amount required by this Section, then the cannabis retailer  
10 shall be liable for penalties and interest on the difference  
11 between the minimum amount due as a payment and the amount of  
12 the quarter-monthly payment actually and timely paid, except  
13 insofar as the cannabis retailer has previously made payments  
14 for that month to the Department in excess of the minimum  
15 payments previously due as provided in this Section.

16 If any payment provided for in this Section exceeds the  
17 taxpayer's liabilities under this Article, as shown on an  
18 original monthly return, the Department shall, if requested by  
19 the taxpayer, issue to the taxpayer a credit memorandum no  
20 later than 30 days after the date of payment. The credit  
21 evidenced by the credit memorandum may be assigned by the  
22 taxpayer to a similar taxpayer under this Article, in  
23 accordance with reasonable rules to be prescribed by the  
24 Department. If no such request is made, the taxpayer may credit  
25 the excess payment against tax liability subsequently to be  
26 remitted to the Department under this Article, in accordance

1 with reasonable rules prescribed by the Department. If the  
2 Department subsequently determines that all or any part of the  
3 credit taken was not actually due to the taxpayer, the  
4 taxpayer's discount shall be reduced, if necessary, to reflect  
5 the difference between the credit taken and that actually due,  
6 and that taxpayer shall be liable for penalties and interest on  
7 the difference. If a cannabis retailer fails to sign a return  
8 within 30 days after the proper notice and demand for signature  
9 by the Department is received by the cannabis retailer, the  
10 return shall be considered valid and any amount shown to be due  
11 on the return shall be deemed assessed.

12 Section 65-35. Deposit of proceeds. All moneys received by  
13 the Department under this Article shall be paid into the  
14 Cannabis Regulation Fund.

15 Section 65-36. Recordkeeping; books and records.

16 (a) Every retailer of cannabis, whether or not the retailer  
17 has obtained a certificate of registration under Section 65-20,  
18 shall keep complete and accurate records of cannabis held,  
19 purchased, sold, or otherwise disposed of, and shall preserve  
20 and keep all invoices, bills of lading, sales records, and  
21 copies of bills of sale, returns and other pertinent papers and  
22 documents relating to the purchase, sale, or disposition of  
23 cannabis. Such records need not be maintained on the licensed  
24 premises but must be maintained in the State of Illinois.

1 However, all original invoices or copies thereof covering  
2 purchases of cannabis must be retained on the licensed premises  
3 for a period of 90 days after such purchase, unless the  
4 Department has granted a waiver in response to a written  
5 request in cases where records are kept at a central business  
6 location within the State of Illinois. The Department shall  
7 adopt rules regarding the eligibility for a waiver, revocation  
8 of a waiver, and requirements and standards for maintenance and  
9 accessibility of records located at a central location under a  
10 waiver provided under this Section.

11 (b) Books, records, papers, and documents that are required  
12 by this Law to be kept shall, at all times during the usual  
13 business hours of the day, be subject to inspection by the  
14 Department or its duly authorized agents and employees. The  
15 books, records, papers, and documents for any period with  
16 respect to which the Department is authorized to issue a notice  
17 of tax liability shall be preserved until the expiration of  
18 that period.

19 Section 65-38. Violations and penalties.

20 (a) When the amount due is under \$300, any retailer of  
21 cannabis who fails to file a return, willfully fails or refuses  
22 to make any payment to the Department of the tax imposed by  
23 this Law, or files a fraudulent return, or any officer or agent  
24 of a corporation engaged in the business of selling cannabis to  
25 purchasers located in this State who signs a fraudulent return

1 filed on behalf of the corporation, or any accountant or other  
2 agent who knowingly enters false information on the return of  
3 any taxpayer under this Law is guilty of a Class 4 felony.

4 (b) When the amount due is \$300 or more, any retailer of  
5 cannabis who files, or causes to be filed, a fraudulent return,  
6 or any officer or agent of a corporation engaged in the  
7 business of selling cannabis to purchasers located in this  
8 State who files or causes to be filed or signs or causes to be  
9 signed a fraudulent return filed on behalf of the corporation,  
10 or any accountant or other agent who knowingly enters false  
11 information on the return of any taxpayer under this Law is  
12 guilty of a Class 3 felony.

13 (c) Any person who violates any provision of Section 65-20,  
14 fails to keep books and records as required under this Law, or  
15 willfully violates a rule of the Department for the  
16 administration and enforcement of this Law is guilty of a Class  
17 4 felony. A person commits a separate offense on each day that  
18 he or she engages in business in violation of Section 65-20 or  
19 a rule of the Department for the administration and enforcement  
20 of this Law. If a person fails to produce the books and records  
21 for inspection by the Department upon request, a prima facie  
22 presumption shall arise that the person has failed to keep  
23 books and records as required under this Law. A person who is  
24 unable to rebut this presumption is in violation of this Law  
25 and is subject to the penalties provided in this Section.

26 (d) Any person who violates any provision of Sections

1 65-20, fails to keep books and records as required under this  
2 Law, or willfully violates a rule of the Department for the  
3 administration and enforcement of this Law, is guilty of a  
4 business offense and may be fined up to \$5,000. If a person  
5 fails to produce books and records for inspection by the  
6 Department upon request, a prima facie presumption shall arise  
7 that the person has failed to keep books and records as  
8 required under this Law. A person who is unable to rebut this  
9 presumption is in violation of this Law and is subject to the  
10 penalties provided in this Section. A person commits a separate  
11 offense on each day that he or she engages in business in  
12 violation of Section 65-20.

13 (e) Any taxpayer or agent of a taxpayer who with the intent  
14 to defraud purports to make a payment due to the Department by  
15 issuing or delivering a check or other order upon a real or  
16 fictitious depository for the payment of money, knowing that it  
17 will not be paid by the depository, is guilty of a deceptive  
18 practice in violation of Section 17-1 of the Criminal Code of  
19 2012.

20 (f) Any person who fails to keep books and records or fails  
21 to produce books and records for inspection, as required by  
22 Section 65-40, is liable to pay to the Department, for deposit  
23 in the Tax Compliance and Administration Fund, a penalty of  
24 \$1,000 for the first failure to keep books and records or  
25 failure to produce books and records for inspection, as  
26 required by Section 65-40, and \$3,000 for each subsequent

1 failure to keep books and records or failure to produce books  
2 and records for inspection, as required by Section 30-36.

3 (g) Any person who knowingly acts as a retailer of cannabis  
4 in this State without first having obtained a certificate of  
5 registration to do so in compliance with Section 65-20 of this  
6 Law shall be guilty of a Class 4 felony.

7 (h) A person commits the offense of tax evasion under this  
8 Law when he or she knowingly attempts in any manner to evade or  
9 defeat the tax imposed on him or her or on any other person, or  
10 the payment thereof, and he or she commits an affirmative act  
11 in furtherance of the evasion. As used in this Section,  
12 "affirmative act in furtherance of the evasion" means an act  
13 designed in whole or in part to (i) conceal, misrepresent,  
14 falsify, or manipulate any material fact or (ii) tamper with or  
15 destroy documents or materials related to a person's tax  
16 liability under this Law. Two or more acts of sales tax evasion  
17 may be charged as a single count in any indictment,  
18 information, or complaint and the amount of tax deficiency may  
19 be aggregated for purposes of determining the amount of tax  
20 that is attempted to be or is evaded and the period between the  
21 first and last acts may be alleged as the date of the offense.

22 (1) When the amount of tax, the assessment or payment  
23 of which is attempted to be or is evaded is less than \$500  
24 a person is guilty of a Class 4 felony.

25 (2) When the amount of tax, the assessment or payment  
26 of which is attempted to be or is evaded is \$500 or more

1 but less than \$10,000, a person is guilty of a Class 3  
2 felony.

3 (3) When the amount of tax, the assessment or payment  
4 of which is attempted to be or is evaded is \$10,000 or more  
5 but less than \$100,000, a person is guilty of a Class 2  
6 felony.

7 (4) When the amount of tax, the assessment or payment  
8 of which is attempted to be or is evaded is \$100,000 or  
9 more, a person is guilty of a Class 1 felony.

10 Any person who knowingly sells, purchases, installs,  
11 transfers, possesses, uses, or accesses any automated sales  
12 suppression device, zapper, or phantom-ware in this State is  
13 guilty of a Class 3 felony.

14 As used in this Section:

15 "Automated sales suppression device" or "zapper" means a  
16 software program that falsifies the electronic records of an  
17 electronic cash register or other point-of-sale system,  
18 including, but not limited to, transaction data and transaction  
19 reports. The term includes the software program, any device  
20 that carries the software program, or an Internet link to the  
21 software program.

22 "Phantom-ware" means a hidden programming option embedded  
23 in the operating system of an electronic cash register or  
24 hardwired into an electronic cash register that can be used to  
25 create a second set of records or that can eliminate or  
26 manipulate transaction records in an electronic cash register.



1 "Electronic cash register" means a device that keeps a  
2 register or supporting documents through the use of an  
3 electronic device or computer system designed to record  
4 transaction data for the purpose of computing, compiling, or  
5 processing retail sales transaction data in any manner.

6 "Transaction data" includes: items purchased by a  
7 purchaser; the price of each item; a taxability determination  
8 for each item; a segregated tax amount for each taxed item; the  
9 amount of cash or credit tendered; the net amount returned to  
10 the customer in change; the date and time of the purchase; the  
11 name, address, and identification number of the vendor; and the  
12 receipt or invoice number of the transaction.

13 "Transaction report" means a report that documents,  
14 without limitation, the sales, taxes, or fees collected, media  
15 totals, and discount voids at an electronic cash register and  
16 that is printed on a cash register tape at the end of a day or  
17 shift, or a report that documents every action at an electronic  
18 cash register and is stored electronically.

19 A prosecution for any act in violation of this Section may  
20 be commenced at any time within 5 years of the commission of  
21 that act.

22 (i) The Department may adopt rules to administer the  
23 penalties under this Section.

24 (j) Any person whose principal place of business is in this  
25 State and who is charged with a violation under this Section  
26 shall be tried in the county where his or her principal place

1 of business is located unless he or she asserts a right to be  
2 tried in another venue.

3 (k) Except as otherwise provided in subsection (h), a  
4 prosecution for a violation described in this Section may be  
5 commenced within 3 years after the commission of the act  
6 constituting the violation.

7 Section 65-40. Department administration and enforcement.  
8 The Department shall have full power to administer and enforce  
9 this Article, to collect all taxes and penalties due hereunder,  
10 to dispose of taxes and penalties so collected in the manner  
11 hereinafter provided, and to determine all rights to credit  
12 memoranda, arising on account of the erroneous payment of tax  
13 or penalty hereunder.

14 In the administration of, and compliance with, this  
15 Article, the Department and persons who are subject to this  
16 Article shall have the same rights, remedies, privileges,  
17 immunities, powers and duties, and be subject to the same  
18 conditions, restrictions, limitations, penalties, and  
19 definitions of terms, and employ the same modes of procedure,  
20 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,  
21 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and  
22 Sections 1, 2-12, 2b, 4 (except that the time limitation  
23 provisions shall run from the date when the tax is due rather  
24 than from the date when gross receipts are received), 5 (except  
25 that the time limitation provisions on the issuance of notices

1 of tax liability shall run from the date when the tax is due  
2 rather than from the date when gross receipts are received and  
3 except that in the case of a failure to file a return required  
4 by this Act, no notice of tax liability shall be issued on and  
5 after each July 1 and January 1 covering tax due with that  
6 return during any month or period more than 6 years before that  
7 July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g,  
8 5h, 5j, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation  
9 Tax Act and all of the provisions of the Uniform Penalty and  
10 Interest Act, which are not inconsistent with this Article, as  
11 fully as if those provisions were set forth herein. References  
12 in the incorporated Sections of the Retailers' Occupation Tax  
13 Act and the Use Tax Act to retailers, to sellers, or to persons  
14 engaged in the business of selling tangible personal property  
15 mean cannabis retailers when used in this Article. References  
16 in the incorporated Sections to sales of tangible personal  
17 property mean sales of cannabis subject to tax under this  
18 Article when used in this Article.

19 Section 65-41. Arrest; search and seizure without warrant.  
20 Any duly authorized employee of the Department (i) may arrest  
21 without warrant any person committing in his or her presence a  
22 violation of any of the provisions of this Law, (ii) may  
23 without a search warrant inspect all cannabis located in any  
24 place of business, (iii) may seize any cannabis in the  
25 possession of the retailer in violation of this Act, and (iv)

1 may seize any cannabis on which the tax imposed by Article 25  
2 of this Act has not been paid. The cannabis so seized is  
3 subject to confiscation and forfeiture as provided in Sections  
4 65-42 and 65-43.

5 Section 65-42. Seizure and forfeiture. After seizing any  
6 cannabis as provided in Section 65-41, the Department must hold  
7 a hearing and determine whether the retailer was properly  
8 registered to sell the cannabis at the time of its seizure by  
9 the Department. The Department shall give not less than 20  
10 days' notice of the time and place of the hearing to the owner  
11 of the cannabis, if the owner is known, and also to the person  
12 in whose possession the cannabis was found, if that person is  
13 known and if the person in possession is not the owner of the  
14 cannabis. If neither the owner nor the person in possession of  
15 the cannabis is known, the Department must cause publication of  
16 the time and place of the hearing to be made at least once in  
17 each week for 3 weeks successively in a newspaper of general  
18 circulation in the county where the hearing is to be held.

19 If, as the result of the hearing, the Department determines  
20 that the retailer was not properly registered at the time the  
21 cannabis was seized, the Department must enter an order  
22 declaring the cannabis confiscated and forfeited to the State,  
23 to be held by the Department for disposal by it as provided in  
24 Section 65-43. The Department must give notice of the order to  
25 the owner of the cannabis, if the owner is known, and also to

1 the person in whose possession the cannabis was found, if that  
2 person is known and if the person in possession is not the  
3 owner of the cannabis. If neither the owner nor the person in  
4 possession of the cannabis is known, the Department must cause  
5 publication of the order to be made at least once in each week  
6 for 3 weeks successively in a newspaper of general circulation  
7 in the county where the hearing was held.

8 Section 65-43. Search warrant; issuance and return;  
9 process; confiscation of cannabis; forfeitures.

10 (a) If a peace officer of this State or any duly authorized  
11 officer or employee of the Department has reason to believe  
12 that any violation of this Law or a rule of the Department for  
13 the administration and enforcement of this Law has occurred and  
14 that the person violating this Law or rule has in that person's  
15 possession any cannabis in violation of this Law or a rule of  
16 the Department for the administration and enforcement of this  
17 Law, that peace officer or officer or employee of the  
18 Department may file or cause to be filed his or her complaint  
19 in writing, verified by affidavit, with any court within whose  
20 jurisdiction the premises to be searched are situated, stating  
21 the facts upon which the belief is founded, the premises to be  
22 searched, and the property to be seized, and procure a search  
23 warrant and execute that warrant. Upon the execution of the  
24 search warrant, the peace officer, or officer or employee of  
25 the Department, executing the search warrant shall make due

1 return of the warrant to the court issuing the warrant,  
2 together with an inventory of the property taken under the  
3 warrant. The court must then issue process against the owner of  
4 the property if the owner is known; otherwise, process must be  
5 issued against the person in whose possession the property is  
6 found, if that person is known. In case of inability to serve  
7 process upon the owner or the person in possession of the  
8 property at the time of its seizure, notice of the proceedings  
9 before the court must be given in the same manner as required  
10 by the law governing cases of attachment. Upon the return of  
11 the process duly served or upon the posting or publishing of  
12 notice made, as appropriate, the court or jury, if a jury is  
13 demanded, shall proceed to determine whether the property so  
14 seized was held or possessed in violation of this Law or a rule  
15 of the Department for the administration and enforcement of  
16 this Law. If a violation is found, judgment shall be entered  
17 confiscating the property and forfeiting it to the State and  
18 ordering its delivery to the Department. In addition, the court  
19 may tax and assess the costs of the proceedings.

20 (b) When any cannabis has been declared forfeited to the  
21 State by the Department, as provided in Sections 65-42 and this  
22 Section, and when all proceedings for the judicial review of  
23 the Department's decision have terminated, the Department  
24 shall, to the extent that its decision is sustained on review,  
25 destroy or maintain and use such cannabis in an undercover  
26 capacity.

1 (c) The Department may, before any destruction of cannabis,  
2 permit the true holder of trademark rights in the cannabis to  
3 inspect such cannabis in order to assist the Department in any  
4 investigation regarding such cannabis.

5 Section 65-45. Cannabis retailers; purchase and possession  
6 of cannabis. Cannabis retailers shall purchase cannabis for  
7 resale only from cannabis establishments as authorized by this  
8 Act.

9 Section 65-50. Rulemaking. The Department may adopt rules  
10 in accordance with the Illinois Administrative Procedure Act  
11 and prescribe forms relating to the administration and  
12 enforcement of this Article as it deems appropriate.

13 ARTICLE 900.

14 AMENDATORY PROVISIONS

15 Section 900-5. The Illinois Administrative Procedure Act  
16 is amended by changing Section 5-45 as follows:

17 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

18 Sec. 5-45. Emergency rulemaking.

19 (a) "Emergency" means the existence of any situation that  
20 any agency finds reasonably constitutes a threat to the public  
21 interest, safety, or welfare.

1 (b) If any agency finds that an emergency exists that  
2 requires adoption of a rule upon fewer days than is required by  
3 Section 5-40 and states in writing its reasons for that  
4 finding, the agency may adopt an emergency rule without prior  
5 notice or hearing upon filing a notice of emergency rulemaking  
6 with the Secretary of State under Section 5-70. The notice  
7 shall include the text of the emergency rule and shall be  
8 published in the Illinois Register. Consent orders or other  
9 court orders adopting settlements negotiated by an agency may  
10 be adopted under this Section. Subject to applicable  
11 constitutional or statutory provisions, an emergency rule  
12 becomes effective immediately upon filing under Section 5-65 or  
13 at a stated date less than 10 days thereafter. The agency's  
14 finding and a statement of the specific reasons for the finding  
15 shall be filed with the rule. The agency shall take reasonable  
16 and appropriate measures to make emergency rules known to the  
17 persons who may be affected by them.

18 (c) An emergency rule may be effective for a period of not  
19 longer than 150 days, but the agency's authority to adopt an  
20 identical rule under Section 5-40 is not precluded. No  
21 emergency rule may be adopted more than once in any 24-month  
22 period, except that this limitation on the number of emergency  
23 rules that may be adopted in a 24-month period does not apply  
24 to (i) emergency rules that make additions to and deletions  
25 from the Drug Manual under Section 5-5.16 of the Illinois  
26 Public Aid Code or the generic drug formulary under Section



1 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)  
2 emergency rules adopted by the Pollution Control Board before  
3 July 1, 1997 to implement portions of the Livestock Management  
4 Facilities Act, (iii) emergency rules adopted by the Illinois  
5 Department of Public Health under subsections (a) through (i)  
6 of Section 2 of the Department of Public Health Act when  
7 necessary to protect the public's health, (iv) emergency rules  
8 adopted pursuant to subsection (n) of this Section, (v)  
9 emergency rules adopted pursuant to subsection (o) of this  
10 Section, or (vi) emergency rules adopted pursuant to subsection  
11 (c-5) of this Section. Two or more emergency rules having  
12 substantially the same purpose and effect shall be deemed to be  
13 a single rule for purposes of this Section.

14 (c-5) To facilitate the maintenance of the program of group  
15 health benefits provided to annuitants, survivors, and retired  
16 employees under the State Employees Group Insurance Act of  
17 1971, rules to alter the contributions to be paid by the State,  
18 annuitants, survivors, retired employees, or any combination  
19 of those entities, for that program of group health benefits,  
20 shall be adopted as emergency rules. The adoption of those  
21 rules shall be considered an emergency and necessary for the  
22 public interest, safety, and welfare.

23 (d) In order to provide for the expeditious and timely  
24 implementation of the State's fiscal year 1999 budget,  
25 emergency rules to implement any provision of Public Act 90-587  
26 or 90-588 or any other budget initiative for fiscal year 1999

1 may be adopted in accordance with this Section by the agency  
2 charged with administering that provision or initiative,  
3 except that the 24-month limitation on the adoption of  
4 emergency rules and the provisions of Sections 5-115 and 5-125  
5 do not apply to rules adopted under this subsection (d). The  
6 adoption of emergency rules authorized by this subsection (d)  
7 shall be deemed to be necessary for the public interest,  
8 safety, and welfare.

9 (e) In order to provide for the expeditious and timely  
10 implementation of the State's fiscal year 2000 budget,  
11 emergency rules to implement any provision of Public Act 91-24  
12 or any other budget initiative for fiscal year 2000 may be  
13 adopted in accordance with this Section by the agency charged  
14 with administering that provision or initiative, except that  
15 the 24-month limitation on the adoption of emergency rules and  
16 the provisions of Sections 5-115 and 5-125 do not apply to  
17 rules adopted under this subsection (e). The adoption of  
18 emergency rules authorized by this subsection (e) shall be  
19 deemed to be necessary for the public interest, safety, and  
20 welfare.

21 (f) In order to provide for the expeditious and timely  
22 implementation of the State's fiscal year 2001 budget,  
23 emergency rules to implement any provision of Public Act 91-712  
24 or any other budget initiative for fiscal year 2001 may be  
25 adopted in accordance with this Section by the agency charged  
26 with administering that provision or initiative, except that

1 the 24-month limitation on the adoption of emergency rules and  
2 the provisions of Sections 5-115 and 5-125 do not apply to  
3 rules adopted under this subsection (f). The adoption of  
4 emergency rules authorized by this subsection (f) shall be  
5 deemed to be necessary for the public interest, safety, and  
6 welfare.

7 (g) In order to provide for the expeditious and timely  
8 implementation of the State's fiscal year 2002 budget,  
9 emergency rules to implement any provision of Public Act 92-10  
10 or any other budget initiative for fiscal year 2002 may be  
11 adopted in accordance with this Section by the agency charged  
12 with administering that provision or initiative, except that  
13 the 24-month limitation on the adoption of emergency rules and  
14 the provisions of Sections 5-115 and 5-125 do not apply to  
15 rules adopted under this subsection (g). The adoption of  
16 emergency rules authorized by this subsection (g) shall be  
17 deemed to be necessary for the public interest, safety, and  
18 welfare.

19 (h) In order to provide for the expeditious and timely  
20 implementation of the State's fiscal year 2003 budget,  
21 emergency rules to implement any provision of Public Act 92-597  
22 or any other budget initiative for fiscal year 2003 may be  
23 adopted in accordance with this Section by the agency charged  
24 with administering that provision or initiative, except that  
25 the 24-month limitation on the adoption of emergency rules and  
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (h). The adoption of  
2 emergency rules authorized by this subsection (h) shall be  
3 deemed to be necessary for the public interest, safety, and  
4 welfare.

5 (i) In order to provide for the expeditious and timely  
6 implementation of the State's fiscal year 2004 budget,  
7 emergency rules to implement any provision of Public Act 93-20  
8 or any other budget initiative for fiscal year 2004 may be  
9 adopted in accordance with this Section by the agency charged  
10 with administering that provision or initiative, except that  
11 the 24-month limitation on the adoption of emergency rules and  
12 the provisions of Sections 5-115 and 5-125 do not apply to  
13 rules adopted under this subsection (i). The adoption of  
14 emergency rules authorized by this subsection (i) shall be  
15 deemed to be necessary for the public interest, safety, and  
16 welfare.

17 (j) In order to provide for the expeditious and timely  
18 implementation of the provisions of the State's fiscal year  
19 2005 budget as provided under the Fiscal Year 2005 Budget  
20 Implementation (Human Services) Act, emergency rules to  
21 implement any provision of the Fiscal Year 2005 Budget  
22 Implementation (Human Services) Act may be adopted in  
23 accordance with this Section by the agency charged with  
24 administering that provision, except that the 24-month  
25 limitation on the adoption of emergency rules and the  
26 provisions of Sections 5-115 and 5-125 do not apply to rules

1 adopted under this subsection (j). The Department of Public Aid  
2 may also adopt rules under this subsection (j) necessary to  
3 administer the Illinois Public Aid Code and the Children's  
4 Health Insurance Program Act. The adoption of emergency rules  
5 authorized by this subsection (j) shall be deemed to be  
6 necessary for the public interest, safety, and welfare.

7 (k) In order to provide for the expeditious and timely  
8 implementation of the provisions of the State's fiscal year  
9 2006 budget, emergency rules to implement any provision of  
10 Public Act 94-48 or any other budget initiative for fiscal year  
11 2006 may be adopted in accordance with this Section by the  
12 agency charged with administering that provision or  
13 initiative, except that the 24-month limitation on the adoption  
14 of emergency rules and the provisions of Sections 5-115 and  
15 5-125 do not apply to rules adopted under this subsection (k).  
16 The Department of Healthcare and Family Services may also adopt  
17 rules under this subsection (k) necessary to administer the  
18 Illinois Public Aid Code, the Senior Citizens and Persons with  
19 Disabilities Property Tax Relief Act, the Senior Citizens and  
20 Disabled Persons Prescription Drug Discount Program Act (now  
21 the Illinois Prescription Drug Discount Program Act), and the  
22 Children's Health Insurance Program Act. The adoption of  
23 emergency rules authorized by this subsection (k) shall be  
24 deemed to be necessary for the public interest, safety, and  
25 welfare.

26 (l) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year  
2 2007 budget, the Department of Healthcare and Family Services  
3 may adopt emergency rules during fiscal year 2007, including  
4 rules effective July 1, 2007, in accordance with this  
5 subsection to the extent necessary to administer the  
6 Department's responsibilities with respect to amendments to  
7 the State plans and Illinois waivers approved by the federal  
8 Centers for Medicare and Medicaid Services necessitated by the  
9 requirements of Title XIX and Title XXI of the federal Social  
10 Security Act. The adoption of emergency rules authorized by  
11 this subsection (l) shall be deemed to be necessary for the  
12 public interest, safety, and welfare.

13 (m) In order to provide for the expeditious and timely  
14 implementation of the provisions of the State's fiscal year  
15 2008 budget, the Department of Healthcare and Family Services  
16 may adopt emergency rules during fiscal year 2008, including  
17 rules effective July 1, 2008, in accordance with this  
18 subsection to the extent necessary to administer the  
19 Department's responsibilities with respect to amendments to  
20 the State plans and Illinois waivers approved by the federal  
21 Centers for Medicare and Medicaid Services necessitated by the  
22 requirements of Title XIX and Title XXI of the federal Social  
23 Security Act. The adoption of emergency rules authorized by  
24 this subsection (m) shall be deemed to be necessary for the  
25 public interest, safety, and welfare.

26 (n) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year  
2 2010 budget, emergency rules to implement any provision of  
3 Public Act 96-45 or any other budget initiative authorized by  
4 the 96th General Assembly for fiscal year 2010 may be adopted  
5 in accordance with this Section by the agency charged with  
6 administering that provision or initiative. The adoption of  
7 emergency rules authorized by this subsection (n) shall be  
8 deemed to be necessary for the public interest, safety, and  
9 welfare. The rulemaking authority granted in this subsection  
10 (n) shall apply only to rules promulgated during Fiscal Year  
11 2010.

12 (o) In order to provide for the expeditious and timely  
13 implementation of the provisions of the State's fiscal year  
14 2011 budget, emergency rules to implement any provision of  
15 Public Act 96-958 or any other budget initiative authorized by  
16 the 96th General Assembly for fiscal year 2011 may be adopted  
17 in accordance with this Section by the agency charged with  
18 administering that provision or initiative. The adoption of  
19 emergency rules authorized by this subsection (o) is deemed to  
20 be necessary for the public interest, safety, and welfare. The  
21 rulemaking authority granted in this subsection (o) applies  
22 only to rules promulgated on or after July 1, 2010 (the  
23 effective date of Public Act 96-958) through June 30, 2011.

24 (p) In order to provide for the expeditious and timely  
25 implementation of the provisions of Public Act 97-689,  
26 emergency rules to implement any provision of Public Act 97-689

1 may be adopted in accordance with this subsection (p) by the  
2 agency charged with administering that provision or  
3 initiative. The 150-day limitation of the effective period of  
4 emergency rules does not apply to rules adopted under this  
5 subsection (p), and the effective period may continue through  
6 June 30, 2013. The 24-month limitation on the adoption of  
7 emergency rules does not apply to rules adopted under this  
8 subsection (p). The adoption of emergency rules authorized by  
9 this subsection (p) is deemed to be necessary for the public  
10 interest, safety, and welfare.

11 (q) In order to provide for the expeditious and timely  
12 implementation of the provisions of Articles 7, 8, 9, 11, and  
13 12 of Public Act 98-104, emergency rules to implement any  
14 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104  
15 may be adopted in accordance with this subsection (q) by the  
16 agency charged with administering that provision or  
17 initiative. The 24-month limitation on the adoption of  
18 emergency rules does not apply to rules adopted under this  
19 subsection (q). The adoption of emergency rules authorized by  
20 this subsection (q) is deemed to be necessary for the public  
21 interest, safety, and welfare.

22 (r) In order to provide for the expeditious and timely  
23 implementation of the provisions of Public Act 98-651,  
24 emergency rules to implement Public Act 98-651 may be adopted  
25 in accordance with this subsection (r) by the Department of  
26 Healthcare and Family Services. The 24-month limitation on the



1 adoption of emergency rules does not apply to rules adopted  
2 under this subsection (r). The adoption of emergency rules  
3 authorized by this subsection (r) is deemed to be necessary for  
4 the public interest, safety, and welfare.

5 (s) In order to provide for the expeditious and timely  
6 implementation of the provisions of Sections 5-5b.1 and 5A-2 of  
7 the Illinois Public Aid Code, emergency rules to implement any  
8 provision of Section 5-5b.1 or Section 5A-2 of the Illinois  
9 Public Aid Code may be adopted in accordance with this  
10 subsection (s) by the Department of Healthcare and Family  
11 Services. The rulemaking authority granted in this subsection  
12 (s) shall apply only to those rules adopted prior to July 1,  
13 2015. Notwithstanding any other provision of this Section, any  
14 emergency rule adopted under this subsection (s) shall only  
15 apply to payments made for State fiscal year 2015. The adoption  
16 of emergency rules authorized by this subsection (s) is deemed  
17 to be necessary for the public interest, safety, and welfare.

18 (t) In order to provide for the expeditious and timely  
19 implementation of the provisions of Article II of Public Act  
20 99-6, emergency rules to implement the changes made by Article  
21 II of Public Act 99-6 to the Emergency Telephone System Act may  
22 be adopted in accordance with this subsection (t) by the  
23 Department of State Police. The rulemaking authority granted in  
24 this subsection (t) shall apply only to those rules adopted  
25 prior to July 1, 2016. The 24-month limitation on the adoption  
26 of emergency rules does not apply to rules adopted under this

1 subsection (t). The adoption of emergency rules authorized by  
2 this subsection (t) is deemed to be necessary for the public  
3 interest, safety, and welfare.

4 (u) In order to provide for the expeditious and timely  
5 implementation of the provisions of the Burn Victims Relief  
6 Act, emergency rules to implement any provision of the Act may  
7 be adopted in accordance with this subsection (u) by the  
8 Department of Insurance. The rulemaking authority granted in  
9 this subsection (u) shall apply only to those rules adopted  
10 prior to December 31, 2015. The adoption of emergency rules  
11 authorized by this subsection (u) is deemed to be necessary for  
12 the public interest, safety, and welfare.

13 (v) In order to provide for the expeditious and timely  
14 implementation of the provisions of Public Act 99-516,  
15 emergency rules to implement Public Act 99-516 may be adopted  
16 in accordance with this subsection (v) by the Department of  
17 Healthcare and Family Services. The 24-month limitation on the  
18 adoption of emergency rules does not apply to rules adopted  
19 under this subsection (v). The adoption of emergency rules  
20 authorized by this subsection (v) is deemed to be necessary for  
21 the public interest, safety, and welfare.

22 (w) In order to provide for the expeditious and timely  
23 implementation of the provisions of Public Act 99-796,  
24 emergency rules to implement the changes made by Public Act  
25 99-796 may be adopted in accordance with this subsection (w) by  
26 the Adjutant General. The adoption of emergency rules

1 authorized by this subsection (w) is deemed to be necessary for  
2 the public interest, safety, and welfare.

3 (x) In order to provide for the expeditious and timely  
4 implementation of the provisions of Public Act 99-906,  
5 emergency rules to implement subsection (i) of Section 16-115D,  
6 subsection (g) of Section 16-128A, and subsection (a) of  
7 Section 16-128B of the Public Utilities Act may be adopted in  
8 accordance with this subsection (x) by the Illinois Commerce  
9 Commission. The rulemaking authority granted in this  
10 subsection (x) shall apply only to those rules adopted within  
11 180 days after June 1, 2017 (the effective date of Public Act  
12 99-906). The adoption of emergency rules authorized by this  
13 subsection (x) is deemed to be necessary for the public  
14 interest, safety, and welfare.

15 (y) In order to provide for the expeditious and timely  
16 implementation of the provisions of Public Act 100-23,  
17 emergency rules to implement the changes made by Public Act  
18 100-23 to Section 4.02 of the Illinois Act on the Aging,  
19 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
20 Section 55-30 of the Alcoholism and Other Drug Abuse and  
21 Dependency Act, and Sections 74 and 75 of the Mental Health and  
22 Developmental Disabilities Administrative Act may be adopted  
23 in accordance with this subsection (y) by the respective  
24 Department. The adoption of emergency rules authorized by this  
25 subsection (y) is deemed to be necessary for the public  
26 interest, safety, and welfare.

1           (z) In order to provide for the expeditious and timely  
2 implementation of the provisions of Public Act 100-554,  
3 emergency rules to implement the changes made by Public Act  
4 100-554 to Section 4.7 of the Lobbyist Registration Act may be  
5 adopted in accordance with this subsection (z) by the Secretary  
6 of State. The adoption of emergency rules authorized by this  
7 subsection (z) is deemed to be necessary for the public  
8 interest, safety, and welfare.

9           (aa) In order to provide for the expeditious and timely  
10 initial implementation of the changes made to Articles 5, 5A,  
11 12, and 14 of the Illinois Public Aid Code under the provisions  
12 of Public Act 100-581, the Department of Healthcare and Family  
13 Services may adopt emergency rules in accordance with this  
14 subsection (aa). The 24-month limitation on the adoption of  
15 emergency rules does not apply to rules to initially implement  
16 the changes made to Articles 5, 5A, 12, and 14 of the Illinois  
17 Public Aid Code adopted under this subsection (aa). The  
18 adoption of emergency rules authorized by this subsection (aa)  
19 is deemed to be necessary for the public interest, safety, and  
20 welfare.

21           (bb) In order to provide for the expeditious and timely  
22 implementation of the provisions of Public Act 100-587,  
23 emergency rules to implement the changes made by Public Act  
24 100-587 to Section 4.02 of the Illinois Act on the Aging,  
25 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
26 subsection (b) of Section 55-30 of the Alcoholism and Other

1 Drug Abuse and Dependency Act, Section 5-104 of the Specialized  
2 Mental Health Rehabilitation Act of 2013, and Section 75 and  
3 subsection (b) of Section 74 of the Mental Health and  
4 Developmental Disabilities Administrative Act may be adopted  
5 in accordance with this subsection (bb) by the respective  
6 Department. The adoption of emergency rules authorized by this  
7 subsection (bb) is deemed to be necessary for the public  
8 interest, safety, and welfare.

9 (cc) In order to provide for the expeditious and timely  
10 implementation of the provisions of Public Act 100-587,  
11 emergency rules may be adopted in accordance with this  
12 subsection (cc) to implement the changes made by Public Act  
13 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois  
14 Pension Code by the Board created under Article 14 of the Code;  
15 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by  
16 the Board created under Article 15 of the Code; and Sections  
17 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board  
18 created under Article 16 of the Code. The adoption of emergency  
19 rules authorized by this subsection (cc) is deemed to be  
20 necessary for the public interest, safety, and welfare.

21 (dd) In order to provide for the expeditious and timely  
22 implementation of the provisions of Public Act 100-864,  
23 emergency rules to implement the changes made by Public Act  
24 100-864 to Section 3.35 of the Newborn Metabolic Screening Act  
25 may be adopted in accordance with this subsection (dd) by the  
26 Secretary of State. The adoption of emergency rules authorized

1 by this subsection (dd) is deemed to be necessary for the  
2 public interest, safety, and welfare.

3 (ee) In order to provide for the expeditious and timely  
4 implementation of the provisions of this amendatory Act of the  
5 100th General Assembly, emergency rules implementing the  
6 Illinois Underground Natural Gas Storage Safety Act may be  
7 adopted in accordance with this subsection by the Department of  
8 Natural Resources. The adoption of emergency rules authorized  
9 by this subsection is deemed to be necessary for the public  
10 interest, safety, and welfare.

11 (ff) In order to provide for the expeditious and timely  
12 implementation of the provisions of this amendatory Act of the  
13 101st General Assembly, emergency rules may be adopted by the  
14 Department of Labor in accordance with this subsection (ff) to  
15 implement the changes made by this amendatory Act of the 101st  
16 General Assembly to the Minimum Wage Law. The adoption of  
17 emergency rules authorized by this subsection (ff) is deemed to  
18 be necessary for the public interest, safety, and welfare.

19 (gg) In order to provide for the expeditious and timely  
20 implementation of the Cannabis Regulation and Tax Act and this  
21 amendatory Act of the 101st General Assembly, the Department of  
22 Revenue, the Department of Public Health, the Department of  
23 Agriculture, the Department of State Police, and the Department  
24 of Financial and Professional Regulation may adopt emergency  
25 rules in accordance with this subsection (gg). The rulemaking  
26 authority granted in this subsection (gg) shall apply only to

1 rules adopted before December 31, 2021. Notwithstanding the  
2 provisions of subsection (c), emergency rules adopted under  
3 this subsection (gg) shall be effective for 180 days. The  
4 adoption of emergency rules authorized by this subsection (gg)  
5 is deemed to be necessary for the public interest, safety, and  
6 welfare.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;  
8 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.  
9 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;  
10 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 101-1, eff.  
11 2-19-19.)

12 Section 900-10. The Department of Revenue Law of the Civil  
13 Administrative Code of Illinois is amended by changing Section  
14 2505-210 as follows:

15 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

16 Sec. 2505-210. Electronic funds transfer.

17 (a) The Department may provide means by which persons  
18 having a tax liability under any Act administered by the  
19 Department may use electronic funds transfer to pay the tax  
20 liability.

21 (b) Mandatory payment by electronic funds transfer. Except  
22 as otherwise provided in a tax Act administered by the  
23 Department ~~Beginning on October 1, 2002, and through September~~  
24 ~~30, 2010, a taxpayer who has an annual tax liability of~~

1 ~~\$200,000 or more shall make all payments of that tax to the~~  
2 ~~Department by electronic funds transfer. Beginning October 1,~~  
3 ~~2010,~~ a taxpayer (other than an individual taxpayer) who has an  
4 annual tax liability of \$20,000 or more and an individual  
5 taxpayer who has an annual tax liability of \$200,000 or more  
6 shall make all payments of that tax to the Department by  
7 electronic funds transfer. Before August 1 of each year,  
8 beginning in 2002, the Department shall notify all taxpayers  
9 required to make payments by electronic funds transfer. All  
10 taxpayers required to make payments by electronic funds  
11 transfer shall make those payments for a minimum of one year  
12 beginning on October 1. For purposes of this subsection (b),  
13 the term "annual tax liability" means, except as provided in  
14 subsections (c) and (d) of this Section, the sum of the  
15 taxpayer's liabilities under a tax Act administered by the  
16 Department for the immediately preceding calendar year.

17 (c) For purposes of subsection (b), the term "annual tax  
18 liability" means, for a taxpayer that incurs a tax liability  
19 under the Retailers' Occupation Tax Act, Service Occupation Tax  
20 Act, Use Tax Act, Service Use Tax Act, or any other State or  
21 local occupation or use tax law that is administered by the  
22 Department, the sum of the taxpayer's liabilities under the  
23 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use  
24 Tax Act, Service Use Tax Act, and all other State and local  
25 occupation and use tax laws administered by the Department for  
26 the immediately preceding calendar year.



1 (d) For purposes of subsection (b), the term "annual tax  
2 liability" means, for a taxpayer that incurs an Illinois income  
3 tax liability, the greater of:

4 (1) the amount of the taxpayer's tax liability under  
5 Article 7 of the Illinois Income Tax Act for the  
6 immediately preceding calendar year; or

7 (2) the taxpayer's estimated tax payment obligation  
8 under Article 8 of the Illinois Income Tax Act for the  
9 immediately preceding calendar year.

10 (e) The Department shall adopt such rules as are necessary  
11 to effectuate a program of electronic funds transfer and the  
12 requirements of this Section.

13 (Source: P.A. 100-1171, eff. 1-4-19.)

14 Section 900-12. The Criminal Identification Act is amended  
15 by changing Section 5.2 as follows:

16 (20 ILCS 2630/5.2)

17 Sec. 5.2. Expungement, sealing, and immediate sealing.

18 (a) General Provisions.

19 (1) Definitions. In this Act, words and phrases have  
20 the meanings set forth in this subsection, except when a  
21 particular context clearly requires a different meaning.

22 (A) The following terms shall have the meanings  
23 ascribed to them in the Unified Code of Corrections,  
24 730 ILCS 5/5-1-2 through 5/5-1-22:

1 (i) Business Offense (730 ILCS 5/5-1-2),  
2 (ii) Charge (730 ILCS 5/5-1-3),  
3 (iii) Court (730 ILCS 5/5-1-6),  
4 (iv) Defendant (730 ILCS 5/5-1-7),  
5 (v) Felony (730 ILCS 5/5-1-9),  
6 (vi) Imprisonment (730 ILCS 5/5-1-10),  
7 (vii) Judgment (730 ILCS 5/5-1-12),  
8 (viii) Misdemeanor (730 ILCS 5/5-1-14),  
9 (ix) Offense (730 ILCS 5/5-1-15),  
10 (x) Parole (730 ILCS 5/5-1-16),  
11 (xi) Petty Offense (730 ILCS 5/5-1-17),  
12 (xii) Probation (730 ILCS 5/5-1-18),  
13 (xiii) Sentence (730 ILCS 5/5-1-19),  
14 (xiv) Supervision (730 ILCS 5/5-1-21), and  
15 (xv) Victim (730 ILCS 5/5-1-22).

16 (B) As used in this Section, "charge not initiated  
17 by arrest" means a charge (as defined by 730 ILCS  
18 5/5-1-3) brought against a defendant where the  
19 defendant is not arrested prior to or as a direct  
20 result of the charge.

21 (C) "Conviction" means a judgment of conviction or  
22 sentence entered upon a plea of guilty or upon a  
23 verdict or finding of guilty of an offense, rendered by  
24 a legally constituted jury or by a court of competent  
25 jurisdiction authorized to try the case without a jury.  
26 An order of supervision successfully completed by the

1 petitioner is not a conviction. An order of qualified  
2 probation (as defined in subsection (a)(1)(J))  
3 successfully completed by the petitioner is not a  
4 conviction. An order of supervision or an order of  
5 qualified probation that is terminated  
6 unsatisfactorily is a conviction, unless the  
7 unsatisfactory termination is reversed, vacated, or  
8 modified and the judgment of conviction, if any, is  
9 reversed or vacated.

10 (D) "Criminal offense" means a petty offense,  
11 business offense, misdemeanor, felony, or municipal  
12 ordinance violation (as defined in subsection  
13 (a)(1)(H)). As used in this Section, a minor traffic  
14 offense (as defined in subsection (a)(1)(G)) shall not  
15 be considered a criminal offense.

16 (E) "Expunge" means to physically destroy the  
17 records or return them to the petitioner and to  
18 obliterate the petitioner's name from any official  
19 index or public record, or both. Nothing in this Act  
20 shall require the physical destruction of the circuit  
21 court file, but such records relating to arrests or  
22 charges, or both, ordered expunged shall be impounded  
23 as required by subsections (d)(9)(A)(ii) and  
24 (d)(9)(B)(ii).

25 (F) As used in this Section, "last sentence" means  
26 the sentence, order of supervision, or order of

1 qualified probation (as defined by subsection  
2 (a)(1)(J)), for a criminal offense (as defined by  
3 subsection (a)(1)(D)) that terminates last in time in  
4 any jurisdiction, regardless of whether the petitioner  
5 has included the criminal offense for which the  
6 sentence or order of supervision or qualified  
7 probation was imposed in his or her petition. If  
8 multiple sentences, orders of supervision, or orders  
9 of qualified probation terminate on the same day and  
10 are last in time, they shall be collectively considered  
11 the "last sentence" regardless of whether they were  
12 ordered to run concurrently.

13 (G) "Minor traffic offense" means a petty offense,  
14 business offense, or Class C misdemeanor under the  
15 Illinois Vehicle Code or a similar provision of a  
16 municipal or local ordinance.

17 (G-5) "Minor violation of the Cannabis Control  
18 Act" means one or more arrest, charge not initiated by  
19 arrest, conviction, order of supervision, or order of  
20 qualified probation (as defined in subsection  
21 (a)(1)(J)) for a Class 4 felony or misdemeanor  
22 violation of Section 4, 5, or 8 of the Cannabis Control  
23 Act, provided that (i) the individual did not receive a  
24 penalty enhancement under Section 7 of the Cannabis  
25 Control Act and (ii) the minor violation of the  
26 Cannabis Control Act was the only offense associated

1 with the arrest, charge not initiated by arrest,  
2 conviction, order of supervision, or order of  
3 qualified probation to be expunged.

4 (H) "Municipal ordinance violation" means an  
5 offense defined by a municipal or local ordinance that  
6 is criminal in nature and with which the petitioner was  
7 charged or for which the petitioner was arrested and  
8 released without charging.

9 (I) "Petitioner" means an adult or a minor  
10 prosecuted as an adult who has applied for relief under  
11 this Section.

12 (J) "Qualified probation" means an order of  
13 probation under Section 10 of the Cannabis Control Act,  
14 Section 410 of the Illinois Controlled Substances Act,  
15 Section 70 of the Methamphetamine Control and  
16 Community Protection Act, Section 5-6-3.3 or 5-6-3.4  
17 of the Unified Code of Corrections, Section  
18 12-4.3(b)(1) and (2) of the Criminal Code of 1961 (as  
19 those provisions existed before their deletion by  
20 Public Act 89-313), Section 10-102 of the Illinois  
21 Alcoholism and Other Drug Dependency Act, Section  
22 40-10 of the Substance Use Disorder Act, or Section 10  
23 of the Steroid Control Act. For the purpose of this  
24 Section, "successful completion" of an order of  
25 qualified probation under Section 10-102 of the  
26 Illinois Alcoholism and Other Drug Dependency Act and

1 Section 40-10 of the Substance Use Disorder Act means  
2 that the probation was terminated satisfactorily and  
3 the judgment of conviction was vacated.

4 (K) "Seal" means to physically and electronically  
5 maintain the records, unless the records would  
6 otherwise be destroyed due to age, but to make the  
7 records unavailable without a court order, subject to  
8 the exceptions in Sections 12 and 13 of this Act. The  
9 petitioner's name shall also be obliterated from the  
10 official index required to be kept by the circuit court  
11 clerk under Section 16 of the Clerks of Courts Act, but  
12 any index issued by the circuit court clerk before the  
13 entry of the order to seal shall not be affected.

14 (L) "Sexual offense committed against a minor"  
15 includes but is not limited to the offenses of indecent  
16 solicitation of a child or criminal sexual abuse when  
17 the victim of such offense is under 18 years of age.

18 (M) "Terminate" as it relates to a sentence or  
19 order of supervision or qualified probation includes  
20 either satisfactory or unsatisfactory termination of  
21 the sentence, unless otherwise specified in this  
22 Section. A sentence is terminated notwithstanding any  
23 outstanding financial legal obligation.

24 (2) Minor Traffic Offenses. Orders of supervision or  
25 convictions for minor traffic offenses shall not affect a  
26 petitioner's eligibility to expunge or seal records

1       pursuant to this Section.

2           (2.5) Commencing 180 days after July 29, 2016 (the  
3       effective date of Public Act 99-697), the law enforcement  
4       agency issuing the citation shall automatically expunge,  
5       on or before January 1 and July 1 of each year, the law  
6       enforcement records of a person found to have committed a  
7       civil law violation of subsection (a) of Section 4 of the  
8       Cannabis Control Act or subsection (c) of Section 3.5 of  
9       the Drug Paraphernalia Control Act in the law enforcement  
10      agency's possession or control and which contains the final  
11      satisfactory disposition which pertain to the person  
12      issued a citation for that offense. The law enforcement  
13      agency shall provide by rule the process for access,  
14      review, and to confirm the automatic expungement by the law  
15      enforcement agency issuing the citation. Commencing 180  
16      days after July 29, 2016 (the effective date of Public Act  
17      99-697), the clerk of the circuit court shall expunge, upon  
18      order of the court, or in the absence of a court order on  
19      or before January 1 and July 1 of each year, the court  
20      records of a person found in the circuit court to have  
21      committed a civil law violation of subsection (a) of  
22      Section 4 of the Cannabis Control Act or subsection (c) of  
23      Section 3.5 of the Drug Paraphernalia Control Act in the  
24      clerk's possession or control and which contains the final  
25      satisfactory disposition which pertain to the person  
26      issued a citation for any of those offenses.

1 (3) Exclusions. Except as otherwise provided in  
2 subsections (b)(5), (b)(6), (b)(8), (e), (e-5), and (e-6)  
3 of this Section, the court shall not order:

4 (A) the sealing or expungement of the records of  
5 arrests or charges not initiated by arrest that result  
6 in an order of supervision for or conviction of: (i)  
7 any sexual offense committed against a minor; (ii)  
8 Section 11-501 of the Illinois Vehicle Code or a  
9 similar provision of a local ordinance; or (iii)  
10 Section 11-503 of the Illinois Vehicle Code or a  
11 similar provision of a local ordinance, unless the  
12 arrest or charge is for a misdemeanor violation of  
13 subsection (a) of Section 11-503 or a similar provision  
14 of a local ordinance, that occurred prior to the  
15 offender reaching the age of 25 years and the offender  
16 has no other conviction for violating Section 11-501 or  
17 11-503 of the Illinois Vehicle Code or a similar  
18 provision of a local ordinance.

19 (B) the sealing or expungement of records of minor  
20 traffic offenses (as defined in subsection (a)(1)(G)),  
21 unless the petitioner was arrested and released  
22 without charging.

23 (C) the sealing of the records of arrests or  
24 charges not initiated by arrest which result in an  
25 order of supervision or a conviction for the following  
26 offenses:



1 (i) offenses included in Article 11 of the  
2 Criminal Code of 1961 or the Criminal Code of 2012  
3 or a similar provision of a local ordinance, except  
4 Section 11-14 and a misdemeanor violation of  
5 Section 11-30 of the Criminal Code of 1961 or the  
6 Criminal Code of 2012, or a similar provision of a  
7 local ordinance;

8 (ii) Section 11-1.50, 12-3.4, 12-15, 12-30,  
9 26-5, or 48-1 of the Criminal Code of 1961 or the  
10 Criminal Code of 2012, or a similar provision of a  
11 local ordinance;

12 (iii) Sections 12-3.1 or 12-3.2 of the  
13 Criminal Code of 1961 or the Criminal Code of 2012,  
14 or Section 125 of the Stalking No Contact Order  
15 Act, or Section 219 of the Civil No Contact Order  
16 Act, or a similar provision of a local ordinance;

17 (iv) Class A misdemeanors or felony offenses  
18 under the Humane Care for Animals Act; or

19 (v) any offense or attempted offense that  
20 would subject a person to registration under the  
21 Sex Offender Registration Act.

22 (D) (blank).

23 (b) Expungement.

24 (1) A petitioner may petition the circuit court to  
25 expunge the records of his or her arrests and charges not  
26 initiated by arrest when each arrest or charge not

1 initiated by arrest sought to be expunged resulted in: (i)  
2 acquittal, dismissal, or the petitioner's release without  
3 charging, unless excluded by subsection (a)(3)(B); (ii) a  
4 conviction which was vacated or reversed, unless excluded  
5 by subsection (a)(3)(B); (iii) an order of supervision and  
6 such supervision was successfully completed by the  
7 petitioner, unless excluded by subsection (a)(3)(A) or  
8 (a)(3)(B); or (iv) an order of qualified probation (as  
9 defined in subsection (a)(1)(J)) and such probation was  
10 successfully completed by the petitioner.

11 (1.5) When a petitioner seeks to have a record of  
12 arrest expunged under this Section, and the offender has  
13 been convicted of a criminal offense, the State's Attorney  
14 may object to the expungement on the grounds that the  
15 records contain specific relevant information aside from  
16 the mere fact of the arrest.

17 (2) Time frame for filing a petition to expunge.

18 (A) When the arrest or charge not initiated by  
19 arrest sought to be expunged resulted in an acquittal,  
20 dismissal, the petitioner's release without charging,  
21 or the reversal or vacation of a conviction, there is  
22 no waiting period to petition for the expungement of  
23 such records.

24 (B) When the arrest or charge not initiated by  
25 arrest sought to be expunged resulted in an order of  
26 supervision, successfully completed by the petitioner,

1 the following time frames will apply:

2 (i) Those arrests or charges that resulted in  
3 orders of supervision under Section 3-707, 3-708,  
4 3-710, or 5-401.3 of the Illinois Vehicle Code or a  
5 similar provision of a local ordinance, or under  
6 Section 11-1.50, 12-3.2, or 12-15 of the Criminal  
7 Code of 1961 or the Criminal Code of 2012, or a  
8 similar provision of a local ordinance, shall not  
9 be eligible for expungement until 5 years have  
10 passed following the satisfactory termination of  
11 the supervision.

12 (i-5) Those arrests or charges that resulted  
13 in orders of supervision for a misdemeanor  
14 violation of subsection (a) of Section 11-503 of  
15 the Illinois Vehicle Code or a similar provision of  
16 a local ordinance, that occurred prior to the  
17 offender reaching the age of 25 years and the  
18 offender has no other conviction for violating  
19 Section 11-501 or 11-503 of the Illinois Vehicle  
20 Code or a similar provision of a local ordinance  
21 shall not be eligible for expungement until the  
22 petitioner has reached the age of 25 years.

23 (ii) Those arrests or charges that resulted in  
24 orders of supervision for any other offenses shall  
25 not be eligible for expungement until 2 years have  
26 passed following the satisfactory termination of

1 the supervision.

2 (C) When the arrest or charge not initiated by  
3 arrest sought to be expunged resulted in an order of  
4 qualified probation, successfully completed by the  
5 petitioner, such records shall not be eligible for  
6 expungement until 5 years have passed following the  
7 satisfactory termination of the probation.

8 (3) Those records maintained by the Department for  
9 persons arrested prior to their 17th birthday shall be  
10 expunged as provided in Section 5-915 of the Juvenile Court  
11 Act of 1987.

12 (4) Whenever a person has been arrested for or  
13 convicted of any offense, in the name of a person whose  
14 identity he or she has stolen or otherwise come into  
15 possession of, the aggrieved person from whom the identity  
16 was stolen or otherwise obtained without authorization,  
17 upon learning of the person having been arrested using his  
18 or her identity, may, upon verified petition to the chief  
19 judge of the circuit wherein the arrest was made, have a  
20 court order entered nunc pro tunc by the Chief Judge to  
21 correct the arrest record, conviction record, if any, and  
22 all official records of the arresting authority, the  
23 Department, other criminal justice agencies, the  
24 prosecutor, and the trial court concerning such arrest, if  
25 any, by removing his or her name from all such records in  
26 connection with the arrest and conviction, if any, and by

1 inserting in the records the name of the offender, if known  
2 or ascertainable, in lieu of the aggrieved's name. The  
3 records of the circuit court clerk shall be sealed until  
4 further order of the court upon good cause shown and the  
5 name of the aggrieved person obliterated on the official  
6 index required to be kept by the circuit court clerk under  
7 Section 16 of the Clerks of Courts Act, but the order shall  
8 not affect any index issued by the circuit court clerk  
9 before the entry of the order. Nothing in this Section  
10 shall limit the Department of State Police or other  
11 criminal justice agencies or prosecutors from listing  
12 under an offender's name the false names he or she has  
13 used.

14 (5) Whenever a person has been convicted of criminal  
15 sexual assault, aggravated criminal sexual assault,  
16 predatory criminal sexual assault of a child, criminal  
17 sexual abuse, or aggravated criminal sexual abuse, the  
18 victim of that offense may request that the State's  
19 Attorney of the county in which the conviction occurred  
20 file a verified petition with the presiding trial judge at  
21 the petitioner's trial to have a court order entered to  
22 seal the records of the circuit court clerk in connection  
23 with the proceedings of the trial court concerning that  
24 offense. However, the records of the arresting authority  
25 and the Department of State Police concerning the offense  
26 shall not be sealed. The court, upon good cause shown,

1 shall make the records of the circuit court clerk in  
2 connection with the proceedings of the trial court  
3 concerning the offense available for public inspection.

4 (6) If a conviction has been set aside on direct review  
5 or on collateral attack and the court determines by clear  
6 and convincing evidence that the petitioner was factually  
7 innocent of the charge, the court that finds the petitioner  
8 factually innocent of the charge shall enter an expungement  
9 order for the conviction for which the petitioner has been  
10 determined to be innocent as provided in subsection (b) of  
11 Section 5-5-4 of the Unified Code of Corrections.

12 (7) Nothing in this Section shall prevent the  
13 Department of State Police from maintaining all records of  
14 any person who is admitted to probation upon terms and  
15 conditions and who fulfills those terms and conditions  
16 pursuant to Section 10 of the Cannabis Control Act, Section  
17 410 of the Illinois Controlled Substances Act, Section 70  
18 of the Methamphetamine Control and Community Protection  
19 Act, Section 5-6-3.3 or 5-6-3.4 of the Unified Code of  
20 Corrections, Section 12-4.3 or subdivision (b)(1) of  
21 Section 12-3.05 of the Criminal Code of 1961 or the  
22 Criminal Code of 2012, Section 10-102 of the Illinois  
23 Alcoholism and Other Drug Dependency Act, Section 40-10 of  
24 the Substance Use Disorder Act, or Section 10 of the  
25 Steroid Control Act.

26 (8) If the petitioner has been granted a certificate of

1 innocence under Section 2-702 of the Code of Civil  
2 Procedure, the court that grants the certificate of  
3 innocence shall also enter an order expunging the  
4 conviction for which the petitioner has been determined to  
5 be innocent as provided in subsection (h) of Section 2-702  
6 of the Code of Civil Procedure.

7 (c) Sealing.

8 (1) Applicability. Notwithstanding any other provision  
9 of this Act to the contrary, and cumulative with any rights  
10 to expungement of criminal records, this subsection  
11 authorizes the sealing of criminal records of adults and of  
12 minors prosecuted as adults. Subsection (g) of this Section  
13 provides for immediate sealing of certain records.

14 (2) Eligible Records. The following records may be  
15 sealed:

16 (A) All arrests resulting in release without  
17 charging;

18 (B) Arrests or charges not initiated by arrest  
19 resulting in acquittal, dismissal, or conviction when  
20 the conviction was reversed or vacated, except as  
21 excluded by subsection (a) (3) (B);

22 (C) Arrests or charges not initiated by arrest  
23 resulting in orders of supervision, including orders  
24 of supervision for municipal ordinance violations,  
25 successfully completed by the petitioner, unless  
26 excluded by subsection (a) (3);

1 (D) Arrests or charges not initiated by arrest  
2 resulting in convictions, including convictions on  
3 municipal ordinance violations, unless excluded by  
4 subsection (a) (3);

5 (E) Arrests or charges not initiated by arrest  
6 resulting in orders of first offender probation under  
7 Section 10 of the Cannabis Control Act, Section 410 of  
8 the Illinois Controlled Substances Act, Section 70 of  
9 the Methamphetamine Control and Community Protection  
10 Act, or Section 5-6-3.3 of the Unified Code of  
11 Corrections; and

12 (F) Arrests or charges not initiated by arrest  
13 resulting in felony convictions unless otherwise  
14 excluded by subsection (a) paragraph (3) of this  
15 Section.

16 (3) When Records Are Eligible to Be Sealed. Records  
17 identified as eligible under subsection (c) (2) may be  
18 sealed as follows:

19 (A) Records identified as eligible under  
20 subsection (c) (2) (A) and (c) (2) (B) may be sealed at any  
21 time.

22 (B) Except as otherwise provided in subparagraph  
23 (E) of this paragraph (3), records identified as  
24 eligible under subsection (c) (2) (C) may be sealed 2  
25 years after the termination of petitioner's last  
26 sentence (as defined in subsection (a) (1) (F)).



1 (C) Except as otherwise provided in subparagraph  
2 (E) of this paragraph (3), records identified as  
3 eligible under subsections (c)(2)(D), (c)(2)(E), and  
4 (c)(2)(F) may be sealed 3 years after the termination  
5 of the petitioner's last sentence (as defined in  
6 subsection (a)(1)(F)). Convictions requiring public  
7 registration under the Arsonist Registration Act, the  
8 Sex Offender Registration Act, or the Murderer and  
9 Violent Offender Against Youth Registration Act may  
10 not be sealed until the petitioner is no longer  
11 required to register under that relevant Act.

12 (D) Records identified in subsection  
13 (a)(3)(A)(iii) may be sealed after the petitioner has  
14 reached the age of 25 years.

15 (E) Records identified as eligible under  
16 subsections (c)(2)(C), (c)(2)(D), (c)(2)(E), or  
17 (c)(2)(F) may be sealed upon termination of the  
18 petitioner's last sentence if the petitioner earned a  
19 high school diploma, associate's degree, career  
20 certificate, vocational technical certification, or  
21 bachelor's degree, or passed the high school level Test  
22 of General Educational Development, during the period  
23 of his or her sentence, aftercare release, or mandatory  
24 supervised release. This subparagraph shall apply only  
25 to a petitioner who has not completed the same  
26 educational goal prior to the period of his or her

1 sentence, aftercare release, or mandatory supervised  
2 release. If a petition for sealing eligible records  
3 filed under this subparagraph is denied by the court,  
4 the time periods under subparagraph (B) or (C) shall  
5 apply to any subsequent petition for sealing filed by  
6 the petitioner.

7 (4) Subsequent felony convictions. A person may not  
8 have subsequent felony conviction records sealed as  
9 provided in this subsection (c) if he or she is convicted  
10 of any felony offense after the date of the sealing of  
11 prior felony convictions as provided in this subsection  
12 (c). The court may, upon conviction for a subsequent felony  
13 offense, order the unsealing of prior felony conviction  
14 records previously ordered sealed by the court.

15 (5) Notice of eligibility for sealing. Upon entry of a  
16 disposition for an eligible record under this subsection  
17 (c), the petitioner shall be informed by the court of the  
18 right to have the records sealed and the procedures for the  
19 sealing of the records.

20 (d) Procedure. The following procedures apply to  
21 expungement under subsections (b), (e), and (e-6) and sealing  
22 under subsections (c) and (e-5):

23 (1) Filing the petition. Upon becoming eligible to  
24 petition for the expungement or sealing of records under  
25 this Section, the petitioner shall file a petition  
26 requesting the expungement or sealing of records with the

1 clerk of the court where the arrests occurred or the  
2 charges were brought, or both. If arrests occurred or  
3 charges were brought in multiple jurisdictions, a petition  
4 must be filed in each such jurisdiction. The petitioner  
5 shall pay the applicable fee, except no fee shall be  
6 required if the petitioner has obtained a court order  
7 waiving fees under Supreme Court Rule 298 or it is  
8 otherwise waived.

9 (1.5) County fee waiver pilot program. In a county of  
10 3,000,000 or more inhabitants, no fee shall be required to  
11 be paid by a petitioner if the records sought to be  
12 expunged or sealed were arrests resulting in release  
13 without charging or arrests or charges not initiated by  
14 arrest resulting in acquittal, dismissal, or conviction  
15 when the conviction was reversed or vacated, unless  
16 excluded by subsection (a)(3)(B). The provisions of this  
17 paragraph (1.5), other than this sentence, are inoperative  
18 on and after January 1, 2019.

19 (2) Contents of petition. The petition shall be  
20 verified and shall contain the petitioner's name, date of  
21 birth, current address and, for each arrest or charge not  
22 initiated by arrest sought to be sealed or expunged, the  
23 case number, the date of arrest (if any), the identity of  
24 the arresting authority, and such other information as the  
25 court may require. During the pendency of the proceeding,  
26 the petitioner shall promptly notify the circuit court

1 clerk of any change of his or her address. If the  
2 petitioner has received a certificate of eligibility for  
3 sealing from the Prisoner Review Board under paragraph (10)  
4 of subsection (a) of Section 3-3-2 of the Unified Code of  
5 Corrections, the certificate shall be attached to the  
6 petition.

7 (3) Drug test. The petitioner must attach to the  
8 petition proof that the petitioner has passed a test taken  
9 within 30 days before the filing of the petition showing  
10 the absence within his or her body of all illegal  
11 substances as defined by the Illinois Controlled  
12 Substances Act, the Methamphetamine Control and Community  
13 Protection Act, and the Cannabis Control Act if he or she  
14 is petitioning to:

15 (A) seal felony records under clause (c) (2) (E);

16 (B) seal felony records for a violation of the  
17 Illinois Controlled Substances Act, the  
18 Methamphetamine Control and Community Protection Act,  
19 or the Cannabis Control Act under clause (c) (2) (F);

20 (C) seal felony records under subsection (e-5); or

21 (D) expunge felony records of a qualified  
22 probation under clause (b) (1) (iv).

23 (4) Service of petition. The circuit court clerk shall  
24 promptly serve a copy of the petition and documentation to  
25 support the petition under subsection (e-5) or (e-6) on the  
26 State's Attorney or prosecutor charged with the duty of

1 prosecuting the offense, the Department of State Police,  
2 the arresting agency and the chief legal officer of the  
3 unit of local government effecting the arrest.

4 (5) Objections.

5 (A) Any party entitled to notice of the petition  
6 may file an objection to the petition. All objections  
7 shall be in writing, shall be filed with the circuit  
8 court clerk, and shall state with specificity the basis  
9 of the objection. Whenever a person who has been  
10 convicted of an offense is granted a pardon by the  
11 Governor which specifically authorizes expungement, an  
12 objection to the petition may not be filed.

13 (B) Objections to a petition to expunge or seal  
14 must be filed within 60 days of the date of service of  
15 the petition.

16 (6) Entry of order.

17 (A) The Chief Judge of the circuit wherein the  
18 charge was brought, any judge of that circuit  
19 designated by the Chief Judge, or in counties of less  
20 than 3,000,000 inhabitants, the presiding trial judge  
21 at the petitioner's trial, if any, shall rule on the  
22 petition to expunge or seal as set forth in this  
23 subsection (d) (6).

24 (B) Unless the State's Attorney or prosecutor, the  
25 Department of State Police, the arresting agency, or  
26 the chief legal officer files an objection to the

1 petition to expunge or seal within 60 days from the  
2 date of service of the petition, the court shall enter  
3 an order granting or denying the petition.

4 (C) Notwithstanding any other provision of law,  
5 the court shall not deny a petition for sealing under  
6 this Section because the petitioner has not satisfied  
7 an outstanding legal financial obligation established,  
8 imposed, or originated by a court, law enforcement  
9 agency, or a municipal, State, county, or other unit of  
10 local government, including, but not limited to, any  
11 cost, assessment, fine, or fee. An outstanding legal  
12 financial obligation does not include any court  
13 ordered restitution to a victim under Section 5-5-6 of  
14 the Unified Code of Corrections, unless the  
15 restitution has been converted to a civil judgment.  
16 Nothing in this subparagraph (C) waives, rescinds, or  
17 abrogates a legal financial obligation or otherwise  
18 eliminates or affects the right of the holder of any  
19 financial obligation to pursue collection under  
20 applicable federal, State, or local law.

21 (7) Hearings. If an objection is filed, the court shall  
22 set a date for a hearing and notify the petitioner and all  
23 parties entitled to notice of the petition of the hearing  
24 date at least 30 days prior to the hearing. Prior to the  
25 hearing, the State's Attorney shall consult with the  
26 Department as to the appropriateness of the relief sought

1 in the petition to expunge or seal. At the hearing, the  
2 court shall hear evidence on whether the petition should or  
3 should not be granted, and shall grant or deny the petition  
4 to expunge or seal the records based on the evidence  
5 presented at the hearing. The court may consider the  
6 following:

7 (A) the strength of the evidence supporting the  
8 defendant's conviction;

9 (B) the reasons for retention of the conviction  
10 records by the State;

11 (C) the petitioner's age, criminal record history,  
12 and employment history;

13 (D) the period of time between the petitioner's  
14 arrest on the charge resulting in the conviction and  
15 the filing of the petition under this Section; and

16 (E) the specific adverse consequences the  
17 petitioner may be subject to if the petition is denied.

18 (8) Service of order. After entering an order to  
19 expunge or seal records, the court must provide copies of  
20 the order to the Department, in a form and manner  
21 prescribed by the Department, to the petitioner, to the  
22 State's Attorney or prosecutor charged with the duty of  
23 prosecuting the offense, to the arresting agency, to the  
24 chief legal officer of the unit of local government  
25 effecting the arrest, and to such other criminal justice  
26 agencies as may be ordered by the court.

1 (9) Implementation of order.

2 (A) Upon entry of an order to expunge records  
3 pursuant to (b) (2) (A) or (b) (2) (B) (ii), or both:

4 (i) the records shall be expunged (as defined  
5 in subsection (a) (1) (E)) by the arresting agency,  
6 the Department, and any other agency as ordered by  
7 the court, within 60 days of the date of service of  
8 the order, unless a motion to vacate, modify, or  
9 reconsider the order is filed pursuant to  
10 paragraph (12) of subsection (d) of this Section;

11 (ii) the records of the circuit court clerk  
12 shall be impounded until further order of the court  
13 upon good cause shown and the name of the  
14 petitioner obliterated on the official index  
15 required to be kept by the circuit court clerk  
16 under Section 16 of the Clerks of Courts Act, but  
17 the order shall not affect any index issued by the  
18 circuit court clerk before the entry of the order;  
19 and

20 (iii) in response to an inquiry for expunged  
21 records, the court, the Department, or the agency  
22 receiving such inquiry, shall reply as it does in  
23 response to inquiries when no records ever  
24 existed.

25 (B) Upon entry of an order to expunge records  
26 pursuant to (b) (2) (B) (i) or (b) (2) (C), or both:



1 (i) the records shall be expunged (as defined  
2 in subsection (a)(1)(E)) by the arresting agency  
3 and any other agency as ordered by the court,  
4 within 60 days of the date of service of the order,  
5 unless a motion to vacate, modify, or reconsider  
6 the order is filed pursuant to paragraph (12) of  
7 subsection (d) of this Section;

8 (ii) the records of the circuit court clerk  
9 shall be impounded until further order of the court  
10 upon good cause shown and the name of the  
11 petitioner obliterated on the official index  
12 required to be kept by the circuit court clerk  
13 under Section 16 of the Clerks of Courts Act, but  
14 the order shall not affect any index issued by the  
15 circuit court clerk before the entry of the order;

16 (iii) the records shall be impounded by the  
17 Department within 60 days of the date of service of  
18 the order as ordered by the court, unless a motion  
19 to vacate, modify, or reconsider the order is filed  
20 pursuant to paragraph (12) of subsection (d) of  
21 this Section;

22 (iv) records impounded by the Department may  
23 be disseminated by the Department only as required  
24 by law or to the arresting authority, the State's  
25 Attorney, and the court upon a later arrest for the  
26 same or a similar offense or for the purpose of

1 sentencing for any subsequent felony, and to the  
2 Department of Corrections upon conviction for any  
3 offense; and

4 (v) in response to an inquiry for such records  
5 from anyone not authorized by law to access such  
6 records, the court, the Department, or the agency  
7 receiving such inquiry shall reply as it does in  
8 response to inquiries when no records ever  
9 existed.

10 (B-5) Upon entry of an order to expunge records  
11 under subsection (e-6):

12 (i) the records shall be expunged (as defined  
13 in subsection (a)(1)(E)) by the arresting agency  
14 and any other agency as ordered by the court,  
15 within 60 days of the date of service of the order,  
16 unless a motion to vacate, modify, or reconsider  
17 the order is filed under paragraph (12) of  
18 subsection (d) of this Section;

19 (ii) the records of the circuit court clerk  
20 shall be impounded until further order of the court  
21 upon good cause shown and the name of the  
22 petitioner obliterated on the official index  
23 required to be kept by the circuit court clerk  
24 under Section 16 of the Clerks of Courts Act, but  
25 the order shall not affect any index issued by the  
26 circuit court clerk before the entry of the order;

1 (iii) the records shall be impounded by the  
2 Department within 60 days of the date of service of  
3 the order as ordered by the court, unless a motion  
4 to vacate, modify, or reconsider the order is filed  
5 under paragraph (12) of subsection (d) of this  
6 Section;

7 (iv) records impounded by the Department may  
8 be disseminated by the Department only as required  
9 by law or to the arresting authority, the State's  
10 Attorney, and the court upon a later arrest for the  
11 same or a similar offense or for the purpose of  
12 sentencing for any subsequent felony, and to the  
13 Department of Corrections upon conviction for any  
14 offense; and

15 (v) in response to an inquiry for these records  
16 from anyone not authorized by law to access the  
17 records, the court, the Department, or the agency  
18 receiving the inquiry shall reply as it does in  
19 response to inquiries when no records ever  
20 existed.

21 (C) Upon entry of an order to seal records under  
22 subsection (c), the arresting agency, any other agency  
23 as ordered by the court, the Department, and the court  
24 shall seal the records (as defined in subsection  
25 (a) (1) (K)). In response to an inquiry for such records,  
26 from anyone not authorized by law to access such

1 records, the court, the Department, or the agency  
2 receiving such inquiry shall reply as it does in  
3 response to inquiries when no records ever existed.

4 (D) The Department shall send written notice to the  
5 petitioner of its compliance with each order to expunge  
6 or seal records within 60 days of the date of service  
7 of that order or, if a motion to vacate, modify, or  
8 reconsider is filed, within 60 days of service of the  
9 order resolving the motion, if that order requires the  
10 Department to expunge or seal records. In the event of  
11 an appeal from the circuit court order, the Department  
12 shall send written notice to the petitioner of its  
13 compliance with an Appellate Court or Supreme Court  
14 judgment to expunge or seal records within 60 days of  
15 the issuance of the court's mandate. The notice is not  
16 required while any motion to vacate, modify, or  
17 reconsider, or any appeal or petition for  
18 discretionary appellate review, is pending.

19 (E) Upon motion, the court may order that a sealed  
20 judgment or other court record necessary to  
21 demonstrate the amount of any legal financial  
22 obligation due and owing be made available for the  
23 limited purpose of collecting any legal financial  
24 obligations owed by the petitioner that were  
25 established, imposed, or originated in the criminal  
26 proceeding for which those records have been sealed.

1           The records made available under this subparagraph (E)  
2           shall not be entered into the official index required  
3           to be kept by the circuit court clerk under Section 16  
4           of the Clerks of Courts Act and shall be immediately  
5           re-impounded upon the collection of the outstanding  
6           financial obligations.

7           (F) Notwithstanding any other provision of this  
8           Section, a circuit court clerk may access a sealed  
9           record for the limited purpose of collecting payment  
10          for any legal financial obligations that were  
11          established, imposed, or originated in the criminal  
12          proceedings for which those records have been sealed.

13          (10) Fees. The Department may charge the petitioner a  
14          fee equivalent to the cost of processing any order to  
15          expunge or seal records. Notwithstanding any provision of  
16          the Clerks of Courts Act to the contrary, the circuit court  
17          clerk may charge a fee equivalent to the cost associated  
18          with the sealing or expungement of records by the circuit  
19          court clerk. From the total filing fee collected for the  
20          petition to seal or expunge, the circuit court clerk shall  
21          deposit \$10 into the Circuit Court Clerk Operation and  
22          Administrative Fund, to be used to offset the costs  
23          incurred by the circuit court clerk in performing the  
24          additional duties required to serve the petition to seal or  
25          expunge on all parties. The circuit court clerk shall  
26          collect and forward the Department of State Police portion

1 of the fee to the Department and it shall be deposited in  
2 the State Police Services Fund. If the record brought under  
3 an expungement petition was previously sealed under this  
4 Section, the fee for the expungement petition for that same  
5 record shall be waived.

6 (11) Final Order. No court order issued under the  
7 expungement or sealing provisions of this Section shall  
8 become final for purposes of appeal until 30 days after  
9 service of the order on the petitioner and all parties  
10 entitled to notice of the petition.

11 (12) Motion to Vacate, Modify, or Reconsider. Under  
12 Section 2-1203 of the Code of Civil Procedure, the  
13 petitioner or any party entitled to notice may file a  
14 motion to vacate, modify, or reconsider the order granting  
15 or denying the petition to expunge or seal within 60 days  
16 of service of the order. If filed more than 60 days after  
17 service of the order, a petition to vacate, modify, or  
18 reconsider shall comply with subsection (c) of Section  
19 2-1401 of the Code of Civil Procedure. Upon filing of a  
20 motion to vacate, modify, or reconsider, notice of the  
21 motion shall be served upon the petitioner and all parties  
22 entitled to notice of the petition.

23 (13) Effect of Order. An order granting a petition  
24 under the expungement or sealing provisions of this Section  
25 shall not be considered void because it fails to comply  
26 with the provisions of this Section or because of any error

1       asserted in a motion to vacate, modify, or reconsider. The  
2       circuit court retains jurisdiction to determine whether  
3       the order is voidable and to vacate, modify, or reconsider  
4       its terms based on a motion filed under paragraph (12) of  
5       this subsection (d).

6       (14) Compliance with Order Granting Petition to Seal  
7       Records. Unless a court has entered a stay of an order  
8       granting a petition to seal, all parties entitled to notice  
9       of the petition must fully comply with the terms of the  
10      order within 60 days of service of the order even if a  
11      party is seeking relief from the order through a motion  
12      filed under paragraph (12) of this subsection (d) or is  
13      appealing the order.

14      (15) Compliance with Order Granting Petition to  
15      Expunge Records. While a party is seeking relief from the  
16      order granting the petition to expunge through a motion  
17      filed under paragraph (12) of this subsection (d) or is  
18      appealing the order, and unless a court has entered a stay  
19      of that order, the parties entitled to notice of the  
20      petition must seal, but need not expunge, the records until  
21      there is a final order on the motion for relief or, in the  
22      case of an appeal, the issuance of that court's mandate.

23      (16) The changes to this subsection (d) made by Public  
24      Act 98-163 apply to all petitions pending on August 5, 2013  
25      (the effective date of Public Act 98-163) and to all orders  
26      ruling on a petition to expunge or seal on or after August

1 5, 2013 (the effective date of Public Act 98-163).

2 (e) Whenever a person who has been convicted of an offense  
3 is granted a pardon by the Governor which specifically  
4 authorizes expungement, he or she may, upon verified petition  
5 to the Chief Judge of the circuit where the person had been  
6 convicted, any judge of the circuit designated by the Chief  
7 Judge, or in counties of less than 3,000,000 inhabitants, the  
8 presiding trial judge at the defendant's trial, have a court  
9 order entered expunging the record of arrest from the official  
10 records of the arresting authority and order that the records  
11 of the circuit court clerk and the Department be sealed until  
12 further order of the court upon good cause shown or as  
13 otherwise provided herein, and the name of the defendant  
14 obliterated from the official index requested to be kept by the  
15 circuit court clerk under Section 16 of the Clerks of Courts  
16 Act in connection with the arrest and conviction for the  
17 offense for which he or she had been pardoned but the order  
18 shall not affect any index issued by the circuit court clerk  
19 before the entry of the order. All records sealed by the  
20 Department may be disseminated by the Department only to the  
21 arresting authority, the State's Attorney, and the court upon a  
22 later arrest for the same or similar offense or for the purpose  
23 of sentencing for any subsequent felony. Upon conviction for  
24 any subsequent offense, the Department of Corrections shall  
25 have access to all sealed records of the Department pertaining  
26 to that individual. Upon entry of the order of expungement, the



1 circuit court clerk shall promptly mail a copy of the order to  
2 the person who was pardoned.

3 (e-5) Whenever a person who has been convicted of an  
4 offense is granted a certificate of eligibility for sealing by  
5 the Prisoner Review Board which specifically authorizes  
6 sealing, he or she may, upon verified petition to the Chief  
7 Judge of the circuit where the person had been convicted, any  
8 judge of the circuit designated by the Chief Judge, or in  
9 counties of less than 3,000,000 inhabitants, the presiding  
10 trial judge at the petitioner's trial, have a court order  
11 entered sealing the record of arrest from the official records  
12 of the arresting authority and order that the records of the  
13 circuit court clerk and the Department be sealed until further  
14 order of the court upon good cause shown or as otherwise  
15 provided herein, and the name of the petitioner obliterated  
16 from the official index requested to be kept by the circuit  
17 court clerk under Section 16 of the Clerks of Courts Act in  
18 connection with the arrest and conviction for the offense for  
19 which he or she had been granted the certificate but the order  
20 shall not affect any index issued by the circuit court clerk  
21 before the entry of the order. All records sealed by the  
22 Department may be disseminated by the Department only as  
23 required by this Act or to the arresting authority, a law  
24 enforcement agency, the State's Attorney, and the court upon a  
25 later arrest for the same or similar offense or for the purpose  
26 of sentencing for any subsequent felony. Upon conviction for

1 any subsequent offense, the Department of Corrections shall  
2 have access to all sealed records of the Department pertaining  
3 to that individual. Upon entry of the order of sealing, the  
4 circuit court clerk shall promptly mail a copy of the order to  
5 the person who was granted the certificate of eligibility for  
6 sealing.

7 (e-6) Whenever a person who has been convicted of an  
8 offense is granted a certificate of eligibility for expungement  
9 by the Prisoner Review Board which specifically authorizes  
10 expungement, he or she may, upon verified petition to the Chief  
11 Judge of the circuit where the person had been convicted, any  
12 judge of the circuit designated by the Chief Judge, or in  
13 counties of less than 3,000,000 inhabitants, the presiding  
14 trial judge at the petitioner's trial, have a court order  
15 entered expunging the record of arrest from the official  
16 records of the arresting authority and order that the records  
17 of the circuit court clerk and the Department be sealed until  
18 further order of the court upon good cause shown or as  
19 otherwise provided herein, and the name of the petitioner  
20 obliterated from the official index requested to be kept by the  
21 circuit court clerk under Section 16 of the Clerks of Courts  
22 Act in connection with the arrest and conviction for the  
23 offense for which he or she had been granted the certificate  
24 but the order shall not affect any index issued by the circuit  
25 court clerk before the entry of the order. All records sealed  
26 by the Department may be disseminated by the Department only as

1 required by this Act or to the arresting authority, a law  
2 enforcement agency, the State's Attorney, and the court upon a  
3 later arrest for the same or similar offense or for the purpose  
4 of sentencing for any subsequent felony. Upon conviction for  
5 any subsequent offense, the Department of Corrections shall  
6 have access to all expunged records of the Department  
7 pertaining to that individual. Upon entry of the order of  
8 expungement, the circuit court clerk shall promptly mail a copy  
9 of the order to the person who was granted the certificate of  
10 eligibility for expungement.

11 (f) Subject to available funding, the Illinois Department  
12 of Corrections shall conduct a study of the impact of sealing,  
13 especially on employment and recidivism rates, utilizing a  
14 random sample of those who apply for the sealing of their  
15 criminal records under Public Act 93-211. At the request of the  
16 Illinois Department of Corrections, records of the Illinois  
17 Department of Employment Security shall be utilized as  
18 appropriate to assist in the study. The study shall not  
19 disclose any data in a manner that would allow the  
20 identification of any particular individual or employing unit.  
21 The study shall be made available to the General Assembly no  
22 later than September 1, 2010.

23 (g) Immediate Sealing.

24 (1) Applicability. Notwithstanding any other provision  
25 of this Act to the contrary, and cumulative with any rights  
26 to expungement or sealing of criminal records, this

1 subsection authorizes the immediate sealing of criminal  
2 records of adults and of minors prosecuted as adults.

3 (2) Eligible Records. Arrests or charges not initiated  
4 by arrest resulting in acquittal or dismissal with  
5 prejudice, except as excluded by subsection (a)(3)(B),  
6 that occur on or after January 1, 2018 (the effective date  
7 of Public Act 100-282), may be sealed immediately if the  
8 petition is filed with the circuit court clerk on the same  
9 day and during the same hearing in which the case is  
10 disposed.

11 (3) When Records are Eligible to be Immediately Sealed.  
12 Eligible records under paragraph (2) of this subsection (g)  
13 may be sealed immediately after entry of the final  
14 disposition of a case, notwithstanding the disposition of  
15 other charges in the same case.

16 (4) Notice of Eligibility for Immediate Sealing. Upon  
17 entry of a disposition for an eligible record under this  
18 subsection (g), the defendant shall be informed by the  
19 court of his or her right to have eligible records  
20 immediately sealed and the procedure for the immediate  
21 sealing of these records.

22 (5) Procedure. The following procedures apply to  
23 immediate sealing under this subsection (g).

24 (A) Filing the Petition. Upon entry of the final  
25 disposition of the case, the defendant's attorney may  
26 immediately petition the court, on behalf of the

1 defendant, for immediate sealing of eligible records  
2 under paragraph (2) of this subsection (g) that are  
3 entered on or after January 1, 2018 (the effective date  
4 of Public Act 100-282). The immediate sealing petition  
5 may be filed with the circuit court clerk during the  
6 hearing in which the final disposition of the case is  
7 entered. If the defendant's attorney does not file the  
8 petition for immediate sealing during the hearing, the  
9 defendant may file a petition for sealing at any time  
10 as authorized under subsection (c) (3) (A).

11 (B) Contents of Petition. The immediate sealing  
12 petition shall be verified and shall contain the  
13 petitioner's name, date of birth, current address, and  
14 for each eligible record, the case number, the date of  
15 arrest if applicable, the identity of the arresting  
16 authority if applicable, and other information as the  
17 court may require.

18 (C) Drug Test. The petitioner shall not be required  
19 to attach proof that he or she has passed a drug test.

20 (D) Service of Petition. A copy of the petition  
21 shall be served on the State's Attorney in open court.  
22 The petitioner shall not be required to serve a copy of  
23 the petition on any other agency.

24 (E) Entry of Order. The presiding trial judge shall  
25 enter an order granting or denying the petition for  
26 immediate sealing during the hearing in which it is

1 filed. Petitions for immediate sealing shall be ruled  
2 on in the same hearing in which the final disposition  
3 of the case is entered.

4 (F) Hearings. The court shall hear the petition for  
5 immediate sealing on the same day and during the same  
6 hearing in which the disposition is rendered.

7 (G) Service of Order. An order to immediately seal  
8 eligible records shall be served in conformance with  
9 subsection (d) (8).

10 (H) Implementation of Order. An order to  
11 immediately seal records shall be implemented in  
12 conformance with subsections (d) (9) (C) and (d) (9) (D).

13 (I) Fees. The fee imposed by the circuit court  
14 clerk and the Department of State Police shall comply  
15 with paragraph (1) of subsection (d) of this Section.

16 (J) Final Order. No court order issued under this  
17 subsection (g) shall become final for purposes of  
18 appeal until 30 days after service of the order on the  
19 petitioner and all parties entitled to service of the  
20 order in conformance with subsection (d) (8).

21 (K) Motion to Vacate, Modify, or Reconsider. Under  
22 Section 2-1203 of the Code of Civil Procedure, the  
23 petitioner, State's Attorney, or the Department of  
24 State Police may file a motion to vacate, modify, or  
25 reconsider the order denying the petition to  
26 immediately seal within 60 days of service of the

1 order. If filed more than 60 days after service of the  
2 order, a petition to vacate, modify, or reconsider  
3 shall comply with subsection (c) of Section 2-1401 of  
4 the Code of Civil Procedure.

5 (L) Effect of Order. An order granting an immediate  
6 sealing petition shall not be considered void because  
7 it fails to comply with the provisions of this Section  
8 or because of an error asserted in a motion to vacate,  
9 modify, or reconsider. The circuit court retains  
10 jurisdiction to determine whether the order is  
11 voidable, and to vacate, modify, or reconsider its  
12 terms based on a motion filed under subparagraph (L) of  
13 this subsection (g).

14 (M) Compliance with Order Granting Petition to  
15 Seal Records. Unless a court has entered a stay of an  
16 order granting a petition to immediately seal, all  
17 parties entitled to service of the order must fully  
18 comply with the terms of the order within 60 days of  
19 service of the order.

20 (h) Sealing; trafficking victims.

21 (1) A trafficking victim as defined by paragraph (10)  
22 of subsection (a) of Section 10-9 of the Criminal Code of  
23 2012 shall be eligible to petition for immediate sealing of  
24 his or her criminal record upon the completion of his or  
25 her last sentence if his or her participation in the  
26 underlying offense was a direct result of human trafficking

1 under Section 10-9 of the Criminal Code of 2012 or a severe  
2 form of trafficking under the federal Trafficking Victims  
3 Protection Act.

4 (2) A petitioner under this subsection (h), in addition  
5 to the requirements provided under paragraph (4) of  
6 subsection (d) of this Section, shall include in his or her  
7 petition a clear and concise statement that: (A) he or she  
8 was a victim of human trafficking at the time of the  
9 offense; and (B) that his or her participation in the  
10 offense was a direct result of human trafficking under  
11 Section 10-9 of the Criminal Code of 2012 or a severe form  
12 of trafficking under the federal Trafficking Victims  
13 Protection Act.

14 (3) If an objection is filed alleging that the  
15 petitioner is not entitled to immediate sealing under this  
16 subsection (h), the court shall conduct a hearing under  
17 paragraph (7) of subsection (d) of this Section and the  
18 court shall determine whether the petitioner is entitled to  
19 immediate sealing under this subsection (h). A petitioner  
20 is eligible for immediate relief under this subsection (h)  
21 if he or she shows, by a preponderance of the evidence,  
22 that: (A) he or she was a victim of human trafficking at  
23 the time of the offense; and (B) that his or her  
24 participation in the offense was a direct result of human  
25 trafficking under Section 10-9 of the Criminal Code of 2012  
26 or a severe form of trafficking under the federal



1 Trafficking Victims Protection Act.

2 (i) Expungement of Minor Violations of the Cannabis Control  
3 Act.

4 (1) Applicability. Notwithstanding any other provision  
5 of this Section to the contrary, and cumulative with any  
6 rights to expungement or sealing of criminal records, this  
7 subsection (i) authorizes the expungement of minor  
8 violations of the Cannabis Control Act that are deemed  
9 legally invalid under the Cannabis Regulation and Tax Act.

10 (2) Eligible Records. Any criminal history record of a  
11 minor violation of the Cannabis Control Act is eligible for  
12 expungement as of the effective date of this amendatory Act  
13 of the 101st General Assembly.

14 (3) Procedure.

15 (A) Department of State Police Review. The  
16 Department of State Police shall review all criminal  
17 history record information and identify all  
18 individuals with minor violations of the Cannabis  
19 Control Act that are eligible for automatic  
20 expungement under this subsection (i). After  
21 conducting that review, the Department of State Police  
22 shall automatically expunge records of minor  
23 violations of the Cannabis Control Act within 2 years  
24 after the effective date of this amendatory Act of the  
25 101st General Assembly, but no sooner than 180 days  
26 after providing notification to the State's Attorneys

1 and law enforcement as provided in subparagraph (B).

2 (B) Department of State Police; Notification to  
3 State's Attorneys and Law Enforcement. No later than  
4 180 days after the effective date of this amendatory  
5 Act of the 101st General Assembly, the Department shall  
6 send a notice to the State's Attorneys or prosecutors  
7 charged with the duty of prosecuting the offenses; all  
8 local law enforcement agencies; and the Office of the  
9 Attorney General. The notice shall identify all  
10 individuals with minor violations of the Cannabis  
11 Control Act that are eligible for automatic  
12 expungement under this subsection (i) in each  
13 jurisdiction. Upon request of a State's Attorney or the  
14 Attorney General, the Department shall provide the  
15 State's Attorney or the Attorney General with the  
16 record from the Law Enforcement Agencies Data System  
17 (LEADS) relating to the minor violation of the Cannabis  
18 Control Act.

19 (C) Proposed Order. No later than 180 days after  
20 receipt of notice from the Department of State Police,  
21 the State's Attorney of the county of arrest, charge or  
22 conviction in which the minor violations of the  
23 Cannabis Control Act occurred, shall file a proposed  
24 order or orders with each court identifying all minor  
25 violations in that jurisdiction eligible for  
26 expungement. Notwithstanding any other provision of

1 law, for purposes of this subsection (i), the State's  
2 Attorney may elect to submit one proposed order on  
3 behalf of multiple or all minor violations eligible for  
4 expungement, as permitted by the court. The proposed  
5 order shall include the following information:

6 (i) name of the individual eligible for  
7 expungement;

8 (ii) date of birth;

9 (iii) current address, if available;

10 (iv) case number;

11 (v) identification of the minor violation of  
12 the Cannabis Control Act;

13 (vi) date of arrest, if applicable;

14 (vii) arresting agency, if applicable; and

15 (viii) a statement that the minor violation of  
16 the Cannabis Control Act has been identified by the  
17 Department of State Police as eligible for  
18 expungement because the conviction is now legally  
19 invalid under the Cannabis Regulation and Tax Act.

20 If a State's Attorney or the Attorney General has  
21 not submitted a proposed order within 180 days after  
22 receiving notice from the Department of State Police,  
23 the Office of the Attorney General may file a proposed  
24 order expunging all records of minor violations of the  
25 Cannabis Control Act it received from the Department of  
26 State Police for that jurisdiction. Notwithstanding

1 any other provision of law, for purposes of this  
2 subsection (i), the Office of the Attorney General may  
3 elect to submit one proposed order on behalf of  
4 multiple or all minor violations of the Cannabis  
5 Control Act eligible for expungement, as permitted by  
6 the court.

7 (D) Automatic Court Order for Expungement. Within  
8 180 days after receiving a proposed order from a  
9 State's Attorney or the Attorney General referenced in  
10 subparagraph (C), a court shall review the proposed  
11 order and order the expungement of the court and law  
12 enforcement records unless the court determines that  
13 the offense to be expunged does not meet the definition  
14 of a minor violation of the Cannabis Control Act.  
15 Whenever a court is expunging a record of a minor  
16 violation of the Cannabis Control Act under this  
17 subsection (i), an objection to the proposed order may  
18 not be filed.

19 (E) Notification to Law Enforcement. Upon entry of  
20 the order to expunge or seal records, the court must  
21 provide copies of the order to the Department of State  
22 Police, in a form and manner prescribed by the  
23 Department, the arresting agency, and such other  
24 criminal justice agencies as determined by the court.

25 (F) Notification to Individuals. Upon entry of an  
26 order of expungement, the court shall provide a copy of

1 the order to the individual whose record has been  
2 expunged. The Department of State Police shall allow a  
3 person to use the access and review process,  
4 established in the Department of State Police, for  
5 verifying that his or her records relating to minor  
6 violations of the Cannabis Control Act eligible under  
7 this subsection (i) have been expunged.

8 (G) Expungement of Arresting Agency Records. Local  
9 law enforcement shall automatically expunge records  
10 pertaining to arrests not resulting in a charge for  
11 minor violations of the Cannabis Control Act  
12 identified by the Department of State Police within 365  
13 days of notice from the Department of State Police. Any  
14 minor violations of the Cannabis Control Act not  
15 identified by the Department of State Police shall be  
16 identified by local law enforcement and automatically  
17 expunged as follows:

18 (i) records prior to January 1, 2016, but on or  
19 after January 1, 2013, shall be automatically  
20 expunged prior to January 1, 2023;

21 (ii) records prior to January 1, 2013, but on  
22 or after January 1, 2000, shall be automatically  
23 expunged prior to January 1, 2026;

24 (iii) records prior to January 1, 2000 shall be  
25 automatically expunged prior to January 1, 2030;  
26 or

1           (iv) as required by court order.

2           (H) Petitions for Expungement of Minor Violations.

3           (i) An individual with an arrest, charge not  
4           initiated by arrest, conviction, order of  
5           supervision, or order of qualified probation for a  
6           minor violation of the Cannabis Control Act  
7           committed prior to the effective date of this  
8           amendatory Act of the 101st General Assembly may  
9           file a petition with the court in the jurisdiction  
10           of the arrest, charge or conviction seeking the  
11           entry of an order of expungement at any time after  
12           the effective date of this amendatory Act of the  
13           101st General Assembly. The court shall order the  
14           expungement of the records of the court, the  
15           Department of State Police, and the arresting  
16           agency unless the court determines that the  
17           offense to be expunged does not meet the definition  
18           of a minor violation of the Cannabis Control Act.  
19           Whenever a court is expunging a record of a minor  
20           violation of the Cannabis Control Act, an  
21           objection to the proposed order may not be filed.

22           (ii) An individual with a conviction, order of  
23           supervision, or order of qualified probation for a  
24           Class 4 felony or misdemeanor violation of Section  
25           4, 5, or 8 of the Cannabis Control Act, that was  
26           accompanied by charges other than a minor

1 violation of the Cannabis Control Act, may file a  
2 petition for expungement with the court in the  
3 jurisdiction of the conviction, order of  
4 supervision, or order of qualified probation  
5 provided that the individual did not receive a  
6 penalty enhancement pursuant to Section 7 of the  
7 Cannabis Control Act. The individual may file a  
8 petition following the procedures set forth for  
9 expungement of arrests that resulted in a  
10 conviction which was vacated or reversed as  
11 provided in subsection (b) (2) (A).

12 (4) Future Offenses. Commencing one year after the  
13 effective date of this amendatory Act of the 101st General  
14 Assembly, the clerk of the circuit court, the arresting  
15 agency, and the Department of State Police shall expunge,  
16 upon order of the court, or in the absence of a court order  
17 on or before January 1 and July 1 of each year, the court  
18 and law enforcement records of a person found to have  
19 committed a minor violation of the Cannabis Control Act and  
20 that contains the final satisfactory disposition for those  
21 offenses.

22 (5) Effect of Expungement. A person's right to expunge  
23 an expungeable offense shall not be limited under this  
24 Section. The effect of an order of expungement shall be to  
25 restore the person to the status he or she occupied before  
26 the arrest, charge, or conviction. No person for whom an

1 order of expungement has been entered under this subsection  
2 (i) shall be held thereafter under any provisions of any  
3 law to be guilty of perjury or otherwise giving a false  
4 statement by reason of failure to state or acknowledge the  
5 arrest, plea, trial, conviction, supervision,  
6 incarceration, or expungement in response to any inquiry  
7 made of him or her for any purpose whatsoever.

8 (6) Information. The Department of State Police shall  
9 post general information on its website about the  
10 expungement process described in this subsection (i).

11 (Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385,  
12 eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16;  
13 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff.  
14 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692,  
15 eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18;  
16 100-863, eff. 8-14-18; revised 8-30-18.)

17 Section 900-15. The State Finance Act is amended by adding  
18 Sections 5.891, 5.892, and 6z-107 as follows:

19 (30 ILCS 105/5.891 new)

20 Sec. 5.891. The Cannabis Regulation Fund.

21 (30 ILCS 105/5.892 new)

22 Sec. 5.892. The Cannabis Business Development Fund.



1 (30 ILCS 105/6z-107 new)

2 Sec. 6z-107. The Cannabis Regulation Fund.

3 (a) The Cannabis Regulation Fund is created as a special  
4 fund in the State treasury. Unless otherwise provided, all  
5 moneys collected under the Cannabis Regulation and Tax Act  
6 shall be deposited into the Cannabis Regulation Fund,  
7 consisting of taxes, license fees, other fees, and any other  
8 amounts required to be deposited or transferred into the Fund.

9 (b) Whenever the Department determines that a refund should  
10 be made under the Cannabis Regulation and Tax Act to a  
11 claimant, the Department shall notify the State Comptroller,  
12 who shall cause the order to be drawn for the amount specified  
13 and to the person named in the notification from the  
14 Department. This subsection (b) shall constitute an  
15 irrevocable and continuing appropriation of all amounts  
16 necessary for the payment of refunds out of the Fund as  
17 authorized under this subsection (b).

18 (c) On or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller and the  
20 Treasurer the stated sums of money from the Cannabis Regulation  
21 Fund to be transferred to other named funds in the State  
22 treasury. The Comptroller shall direct, and the Treasurer shall  
23 transfer, the stated sums of money in accordance with the  
24 directions contained in the certification. The amount subject  
25 to transfer shall be the amount of the taxes, license fees,  
26 other fees, and any other amounts paid into the Fund during the

1 second preceding calendar month, minus the refunds made under  
2 subsection (b) of this Section during the second preceding  
3 calendar month by the Department. The transfers shall be  
4 certified as follows:

5 (1) First, to pay for the direct and indirect costs  
6 associated with the implementation, administration, and  
7 enforcement of the Cannabis Regulation and Tax Act by the  
8 Department of Revenue, the Department of State Police, the  
9 Department of Financial and Professional Regulation, the  
10 Department of Agriculture, the Department of Public  
11 Health, the Department of Commerce and Economic  
12 Opportunity, and the Illinois Criminal Justice Information  
13 Authority;

14 (2) Second, after the transfers have been made as  
15 provided in paragraph (1) of this subsection (c), the  
16 Department may certify transfers for costs incurred by  
17 State courts, State's Attorneys, or law enforcement to  
18 carry out the expungement of minor violations pursuant to  
19 the Cannabis Regulation and Tax Act;

20 (3) Third, after the transfers have been made as  
21 provided in paragraphs (1) and (2) of this subsection (c),  
22 the Department shall certify the following transfers:

23 (A) 2% shall be transferred to the Drug Treatment  
24 Fund to be used, subject to appropriation, by the  
25 Department of Public Health for: (i) developing and  
26 administering a scientifically and medically accurate

1 public education campaign educating youth and adults  
2 about the health and safety risks of alcohol, tobacco,  
3 illegal drug use (including prescription drugs), and  
4 cannabis including use by pregnant women; and (ii) data  
5 collection and analysis of the public health impacts of  
6 legalizing the recreational use of cannabis.

7 (B) 8% shall be transferred to the Illinois Law  
8 Enforcement Training Standards Board to be used,  
9 subject to appropriation, by the Illinois Law  
10 Enforcement Training Standards Board for the purpose  
11 of creating a law enforcement grant program available  
12 for jurisdictions to fund crime prevention programs,  
13 training, and interdiction efforts, including  
14 enforcement and prevention efforts, relating to the  
15 illegal cannabis market and driving under the  
16 influence of cannabis.

17 (D) 25% shall be transferred to the Criminal  
18 Justice Information Projects Fund to be used, subject  
19 to appropriation, by the Restoring Our Communities  
20 Program Board to address the impact of economic  
21 disinvestment, concentrated poverty, violence, the  
22 historical overuse of criminal justice responses in  
23 certain communities. The Restoring Our Communities  
24 Program Board shall address these issues through  
25 targeted investments and intervention programs and  
26 promotion of an employment infrastructure and capacity

1 building related to the social determinants of health  
2 in impacted community areas.

3 (E) 20% shall be appropriated to certified local  
4 health departments, as defined by 77 Illinois  
5 Administrative Code 600, to be used for the purpose of  
6 substance abuse and mental health prevention and  
7 treatment. The allocation methodology shall be based  
8 on the most recent census population data for the  
9 certified local health department jurisdiction. These  
10 funds may be redistributed to subcontractors within  
11 their certified local health department jurisdictions.

12 (F) 10% to the Budget Stabilization Fund.

13 (G) 35%, or any remaining balance, shall be  
14 transferred to the General Revenue Fund.

15 As soon as may be practical, but no later than 10 days  
16 after receipt by the Comptroller of the transfer certification  
17 provided for in this subsection (c) to be given to the  
18 Comptroller by the Department of Revenue, the Comptroller shall  
19 direct and the Treasurer shall transfer the respective amounts  
20 in accordance with the directions contained in the  
21 certification.

22 (d) Notwithstanding any other law to the contrary and  
23 except as otherwise provided in this Section, this Fund is not  
24 subject to sweeps, administrative charge-backs, or any other  
25 fiscal or budgetary maneuver that would in any way transfer any  
26 amounts from this Fund into any other fund of the State.

1       Section 900-16. The Use Tax Act is amended by changing  
2       Section 9 as follows:

3       (35 ILCS 105/9) (from Ch. 120, par. 439.9)

4       Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
5       and trailers that are required to be registered with an agency  
6       of this State, each retailer required or authorized to collect  
7       the tax imposed by this Act shall pay to the Department the  
8       amount of such tax (except as otherwise provided) at the time  
9       when he is required to file his return for the period during  
10      which such tax was collected, less a discount of 2.1% prior to  
11      January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
12      per calendar year, whichever is greater, which is allowed to  
13      reimburse the retailer for expenses incurred in collecting the  
14      tax, keeping records, preparing and filing returns, remitting  
15      the tax and supplying data to the Department on request. In the  
16      case of retailers who report and pay the tax on a transaction  
17      by transaction basis, as provided in this Section, such  
18      discount shall be taken with each such tax remittance instead  
19      of when such retailer files his periodic return. The discount  
20      allowed under this Section is allowed only for returns that are  
21      filed in the manner required by this Act. The Department may  
22      disallow the discount for retailers whose certificate of  
23      registration is revoked at the time the return is filed, but  
24      only if the Department's decision to revoke the certificate of

1 registration has become final. A retailer need not remit that  
2 part of any tax collected by him to the extent that he is  
3 required to remit and does remit the tax imposed by the  
4 Retailers' Occupation Tax Act, with respect to the sale of the  
5 same property.

6 Where such tangible personal property is sold under a  
7 conditional sales contract, or under any other form of sale  
8 wherein the payment of the principal sum, or a part thereof, is  
9 extended beyond the close of the period for which the return is  
10 filed, the retailer, in collecting the tax (except as to motor  
11 vehicles, watercraft, aircraft, and trailers that are required  
12 to be registered with an agency of this State), may collect for  
13 each tax return period, only the tax applicable to that part of  
14 the selling price actually received during such tax return  
15 period.

16 Except as provided in this Section, on or before the  
17 twentieth day of each calendar month, such retailer shall file  
18 a return for the preceding calendar month. Such return shall be  
19 filed on forms prescribed by the Department and shall furnish  
20 such information as the Department may reasonably require. On  
21 and after January 1, 2018, except for returns for motor  
22 vehicles, watercraft, aircraft, and trailers that are required  
23 to be registered with an agency of this State, with respect to  
24 retailers whose annual gross receipts average \$20,000 or more,  
25 all returns required to be filed pursuant to this Act shall be  
26 filed electronically. Retailers who demonstrate that they do

1 not have access to the Internet or demonstrate hardship in  
2 filing electronically may petition the Department to waive the  
3 electronic filing requirement.

4 The Department may require returns to be filed on a  
5 quarterly basis. If so required, a return for each calendar  
6 quarter shall be filed on or before the twentieth day of the  
7 calendar month following the end of such calendar quarter. The  
8 taxpayer shall also file a return with the Department for each  
9 of the first two months of each calendar quarter, on or before  
10 the twentieth day of the following calendar month, stating:

11 1. The name of the seller;

12 2. The address of the principal place of business from  
13 which he engages in the business of selling tangible  
14 personal property at retail in this State;

15 3. The total amount of taxable receipts received by him  
16 during the preceding calendar month from sales of tangible  
17 personal property by him during such preceding calendar  
18 month, including receipts from charge and time sales, but  
19 less all deductions allowed by law;

20 4. The amount of credit provided in Section 2d of this  
21 Act;

22 5. The amount of tax due;

23 5-5. The signature of the taxpayer; and

24 6. Such other reasonable information as the Department  
25 may require.

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,  
2 the return shall be considered valid and any amount shown to be  
3 due on the return shall be deemed assessed.

4 Notwithstanding any other provision of this Act to the  
5 contrary, retailers subject to tax on cannabis shall file all  
6 cannabis tax returns and shall make all cannabis tax payments  
7 by electronic means in the manner and form required by the  
8 Department.

9 Beginning October 1, 1993, a taxpayer who has an average  
10 monthly tax liability of \$150,000 or more shall make all  
11 payments required by rules of the Department by electronic  
12 funds transfer. Beginning October 1, 1994, a taxpayer who has  
13 an average monthly tax liability of \$100,000 or more shall make  
14 all payments required by rules of the Department by electronic  
15 funds transfer. Beginning October 1, 1995, a taxpayer who has  
16 an average monthly tax liability of \$50,000 or more shall make  
17 all payments required by rules of the Department by electronic  
18 funds transfer. Beginning October 1, 2000, a taxpayer who has  
19 an annual tax liability of \$200,000 or more shall make all  
20 payments required by rules of the Department by electronic  
21 funds transfer. The term "annual tax liability" shall be the  
22 sum of the taxpayer's liabilities under this Act, and under all  
23 other State and local occupation and use tax laws administered  
24 by the Department, for the immediately preceding calendar year.  
25 The term "average monthly tax liability" means the sum of the  
26 taxpayer's liabilities under this Act, and under all other



1 State and local occupation and use tax laws administered by the  
2 Department, for the immediately preceding calendar year  
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
4 a tax liability in the amount set forth in subsection (b) of  
5 Section 2505-210 of the Department of Revenue Law shall make  
6 all payments required by rules of the Department by electronic  
7 funds transfer.

8 Before August 1 of each year beginning in 1993, the  
9 Department shall notify all taxpayers required to make payments  
10 by electronic funds transfer. All taxpayers required to make  
11 payments by electronic funds transfer shall make those payments  
12 for a minimum of one year beginning on October 1.

13 Any taxpayer not required to make payments by electronic  
14 funds transfer may make payments by electronic funds transfer  
15 with the permission of the Department.

16 All taxpayers required to make payment by electronic funds  
17 transfer and any taxpayers authorized to voluntarily make  
18 payments by electronic funds transfer shall make those payments  
19 in the manner authorized by the Department.

20 The Department shall adopt such rules as are necessary to  
21 effectuate a program of electronic funds transfer and the  
22 requirements of this Section.

23 Before October 1, 2000, if the taxpayer's average monthly  
24 tax liability to the Department under this Act, the Retailers'  
25 Occupation Tax Act, the Service Occupation Tax Act, the Service  
26 Use Tax Act was \$10,000 or more during the preceding 4 complete

1 calendar quarters, he shall file a return with the Department  
2 each month by the 20th day of the month next following the  
3 month during which such tax liability is incurred and shall  
4 make payments to the Department on or before the 7th, 15th,  
5 22nd and last day of the month during which such liability is  
6 incurred. On and after October 1, 2000, if the taxpayer's  
7 average monthly tax liability to the Department under this Act,  
8 the Retailers' Occupation Tax Act, the Service Occupation Tax  
9 Act, and the Service Use Tax Act was \$20,000 or more during the  
10 preceding 4 complete calendar quarters, he shall file a return  
11 with the Department each month by the 20th day of the month  
12 next following the month during which such tax liability is  
13 incurred and shall make payment to the Department on or before  
14 the 7th, 15th, 22nd and last day of the month during which such  
15 liability is incurred. If the month during which such tax  
16 liability is incurred began prior to January 1, 1985, each  
17 payment shall be in an amount equal to 1/4 of the taxpayer's  
18 actual liability for the month or an amount set by the  
19 Department not to exceed 1/4 of the average monthly liability  
20 of the taxpayer to the Department for the preceding 4 complete  
21 calendar quarters (excluding the month of highest liability and  
22 the month of lowest liability in such 4 quarter period). If the  
23 month during which such tax liability is incurred begins on or  
24 after January 1, 1985, and prior to January 1, 1987, each  
25 payment shall be in an amount equal to 22.5% of the taxpayer's  
26 actual liability for the month or 27.5% of the taxpayer's

1 liability for the same calendar month of the preceding year. If  
2 the month during which such tax liability is incurred begins on  
3 or after January 1, 1987, and prior to January 1, 1988, each  
4 payment shall be in an amount equal to 22.5% of the taxpayer's  
5 actual liability for the month or 26.25% of the taxpayer's  
6 liability for the same calendar month of the preceding year. If  
7 the month during which such tax liability is incurred begins on  
8 or after January 1, 1988, and prior to January 1, 1989, or  
9 begins on or after January 1, 1996, each payment shall be in an  
10 amount equal to 22.5% of the taxpayer's actual liability for  
11 the month or 25% of the taxpayer's liability for the same  
12 calendar month of the preceding year. If the month during which  
13 such tax liability is incurred begins on or after January 1,  
14 1989, and prior to January 1, 1996, each payment shall be in an  
15 amount equal to 22.5% of the taxpayer's actual liability for  
16 the month or 25% of the taxpayer's liability for the same  
17 calendar month of the preceding year or 100% of the taxpayer's  
18 actual liability for the quarter monthly reporting period. The  
19 amount of such quarter monthly payments shall be credited  
20 against the final tax liability of the taxpayer's return for  
21 that month. Before October 1, 2000, once applicable, the  
22 requirement of the making of quarter monthly payments to the  
23 Department shall continue until such taxpayer's average  
24 monthly liability to the Department during the preceding 4  
25 complete calendar quarters (excluding the month of highest  
26 liability and the month of lowest liability) is less than

1 \$9,000, or until such taxpayer's average monthly liability to  
2 the Department as computed for each calendar quarter of the 4  
3 preceding complete calendar quarter period is less than  
4 \$10,000. However, if a taxpayer can show the Department that a  
5 substantial change in the taxpayer's business has occurred  
6 which causes the taxpayer to anticipate that his average  
7 monthly tax liability for the reasonably foreseeable future  
8 will fall below the \$10,000 threshold stated above, then such  
9 taxpayer may petition the Department for change in such  
10 taxpayer's reporting status. On and after October 1, 2000, once  
11 applicable, the requirement of the making of quarter monthly  
12 payments to the Department shall continue until such taxpayer's  
13 average monthly liability to the Department during the  
14 preceding 4 complete calendar quarters (excluding the month of  
15 highest liability and the month of lowest liability) is less  
16 than \$19,000 or until such taxpayer's average monthly liability  
17 to the Department as computed for each calendar quarter of the  
18 4 preceding complete calendar quarter period is less than  
19 \$20,000. However, if a taxpayer can show the Department that a  
20 substantial change in the taxpayer's business has occurred  
21 which causes the taxpayer to anticipate that his average  
22 monthly tax liability for the reasonably foreseeable future  
23 will fall below the \$20,000 threshold stated above, then such  
24 taxpayer may petition the Department for a change in such  
25 taxpayer's reporting status. The Department shall change such  
26 taxpayer's reporting status unless it finds that such change is

1 seasonal in nature and not likely to be long term. If any such  
2 quarter monthly payment is not paid at the time or in the  
3 amount required by this Section, then the taxpayer shall be  
4 liable for penalties and interest on the difference between the  
5 minimum amount due and the amount of such quarter monthly  
6 payment actually and timely paid, except insofar as the  
7 taxpayer has previously made payments for that month to the  
8 Department in excess of the minimum payments previously due as  
9 provided in this Section. The Department shall make reasonable  
10 rules and regulations to govern the quarter monthly payment  
11 amount and quarter monthly payment dates for taxpayers who file  
12 on other than a calendar monthly basis.

13 If any such payment provided for in this Section exceeds  
14 the taxpayer's liabilities under this Act, the Retailers'  
15 Occupation Tax Act, the Service Occupation Tax Act and the  
16 Service Use Tax Act, as shown by an original monthly return,  
17 the Department shall issue to the taxpayer a credit memorandum  
18 no later than 30 days after the date of payment, which  
19 memorandum may be submitted by the taxpayer to the Department  
20 in payment of tax liability subsequently to be remitted by the  
21 taxpayer to the Department or be assigned by the taxpayer to a  
22 similar taxpayer under this Act, the Retailers' Occupation Tax  
23 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
24 in accordance with reasonable rules and regulations to be  
25 prescribed by the Department, except that if such excess  
26 payment is shown on an original monthly return and is made

1 after December 31, 1986, no credit memorandum shall be issued,  
2 unless requested by the taxpayer. If no such request is made,  
3 the taxpayer may credit such excess payment against tax  
4 liability subsequently to be remitted by the taxpayer to the  
5 Department under this Act, the Retailers' Occupation Tax Act,  
6 the Service Occupation Tax Act or the Service Use Tax Act, in  
7 accordance with reasonable rules and regulations prescribed by  
8 the Department. If the Department subsequently determines that  
9 all or any part of the credit taken was not actually due to the  
10 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
11 be reduced by 2.1% or 1.75% of the difference between the  
12 credit taken and that actually due, and the taxpayer shall be  
13 liable for penalties and interest on such difference.

14 If the retailer is otherwise required to file a monthly  
15 return and if the retailer's average monthly tax liability to  
16 the Department does not exceed \$200, the Department may  
17 authorize his returns to be filed on a quarter annual basis,  
18 with the return for January, February, and March of a given  
19 year being due by April 20 of such year; with the return for  
20 April, May and June of a given year being due by July 20 of such  
21 year; with the return for July, August and September of a given  
22 year being due by October 20 of such year, and with the return  
23 for October, November and December of a given year being due by  
24 January 20 of the following year.

25 If the retailer is otherwise required to file a monthly or  
26 quarterly return and if the retailer's average monthly tax

1 liability to the Department does not exceed \$50, the Department  
2 may authorize his returns to be filed on an annual basis, with  
3 the return for a given year being due by January 20 of the  
4 following year.

5 Such quarter annual and annual returns, as to form and  
6 substance, shall be subject to the same requirements as monthly  
7 returns.

8 Notwithstanding any other provision in this Act concerning  
9 the time within which a retailer may file his return, in the  
10 case of any retailer who ceases to engage in a kind of business  
11 which makes him responsible for filing returns under this Act,  
12 such retailer shall file a final return under this Act with the  
13 Department not more than one month after discontinuing such  
14 business.

15 In addition, with respect to motor vehicles, watercraft,  
16 aircraft, and trailers that are required to be registered with  
17 an agency of this State, except as otherwise provided in this  
18 Section, every retailer selling this kind of tangible personal  
19 property shall file, with the Department, upon a form to be  
20 prescribed and supplied by the Department, a separate return  
21 for each such item of tangible personal property which the  
22 retailer sells, except that if, in the same transaction, (i) a  
23 retailer of aircraft, watercraft, motor vehicles or trailers  
24 transfers more than one aircraft, watercraft, motor vehicle or  
25 trailer to another aircraft, watercraft, motor vehicle or  
26 trailer retailer for the purpose of resale or (ii) a retailer

1 of aircraft, watercraft, motor vehicles, or trailers transfers  
2 more than one aircraft, watercraft, motor vehicle, or trailer  
3 to a purchaser for use as a qualifying rolling stock as  
4 provided in Section 3-55 of this Act, then that seller may  
5 report the transfer of all the aircraft, watercraft, motor  
6 vehicles or trailers involved in that transaction to the  
7 Department on the same uniform invoice-transaction reporting  
8 return form. For purposes of this Section, "watercraft" means a  
9 Class 2, Class 3, or Class 4 watercraft as defined in Section  
10 3-2 of the Boat Registration and Safety Act, a personal  
11 watercraft, or any boat equipped with an inboard motor.

12 In addition, with respect to motor vehicles, watercraft,  
13 aircraft, and trailers that are required to be registered with  
14 an agency of this State, every person who is engaged in the  
15 business of leasing or renting such items and who, in  
16 connection with such business, sells any such item to a  
17 retailer for the purpose of resale is, notwithstanding any  
18 other provision of this Section to the contrary, authorized to  
19 meet the return-filing requirement of this Act by reporting the  
20 transfer of all the aircraft, watercraft, motor vehicles, or  
21 trailers transferred for resale during a month to the  
22 Department on the same uniform invoice-transaction reporting  
23 return form on or before the 20th of the month following the  
24 month in which the transfer takes place. Notwithstanding any  
25 other provision of this Act to the contrary, all returns filed  
26 under this paragraph must be filed by electronic means in the



1 manner and form as required by the Department.

2 The transaction reporting return in the case of motor  
3 vehicles or trailers that are required to be registered with an  
4 agency of this State, shall be the same document as the Uniform  
5 Invoice referred to in Section 5-402 of the Illinois Vehicle  
6 Code and must show the name and address of the seller; the name  
7 and address of the purchaser; the amount of the selling price  
8 including the amount allowed by the retailer for traded-in  
9 property, if any; the amount allowed by the retailer for the  
10 traded-in tangible personal property, if any, to the extent to  
11 which Section 2 of this Act allows an exemption for the value  
12 of traded-in property; the balance payable after deducting such  
13 trade-in allowance from the total selling price; the amount of  
14 tax due from the retailer with respect to such transaction; the  
15 amount of tax collected from the purchaser by the retailer on  
16 such transaction (or satisfactory evidence that such tax is not  
17 due in that particular instance, if that is claimed to be the  
18 fact); the place and date of the sale; a sufficient  
19 identification of the property sold; such other information as  
20 is required in Section 5-402 of the Illinois Vehicle Code, and  
21 such other information as the Department may reasonably  
22 require.

23 The transaction reporting return in the case of watercraft  
24 and aircraft must show the name and address of the seller; the  
25 name and address of the purchaser; the amount of the selling  
26 price including the amount allowed by the retailer for

1 traded-in property, if any; the amount allowed by the retailer  
2 for the traded-in tangible personal property, if any, to the  
3 extent to which Section 2 of this Act allows an exemption for  
4 the value of traded-in property; the balance payable after  
5 deducting such trade-in allowance from the total selling price;  
6 the amount of tax due from the retailer with respect to such  
7 transaction; the amount of tax collected from the purchaser by  
8 the retailer on such transaction (or satisfactory evidence that  
9 such tax is not due in that particular instance, if that is  
10 claimed to be the fact); the place and date of the sale, a  
11 sufficient identification of the property sold, and such other  
12 information as the Department may reasonably require.

13 Such transaction reporting return shall be filed not later  
14 than 20 days after the date of delivery of the item that is  
15 being sold, but may be filed by the retailer at any time sooner  
16 than that if he chooses to do so. The transaction reporting  
17 return and tax remittance or proof of exemption from the tax  
18 that is imposed by this Act may be transmitted to the  
19 Department by way of the State agency with which, or State  
20 officer with whom, the tangible personal property must be  
21 titled or registered (if titling or registration is required)  
22 if the Department and such agency or State officer determine  
23 that this procedure will expedite the processing of  
24 applications for title or registration.

25 With each such transaction reporting return, the retailer  
26 shall remit the proper amount of tax due (or shall submit

1 satisfactory evidence that the sale is not taxable if that is  
2 the case), to the Department or its agents, whereupon the  
3 Department shall issue, in the purchaser's name, a tax receipt  
4 (or a certificate of exemption if the Department is satisfied  
5 that the particular sale is tax exempt) which such purchaser  
6 may submit to the agency with which, or State officer with  
7 whom, he must title or register the tangible personal property  
8 that is involved (if titling or registration is required) in  
9 support of such purchaser's application for an Illinois  
10 certificate or other evidence of title or registration to such  
11 tangible personal property.

12 No retailer's failure or refusal to remit tax under this  
13 Act precludes a user, who has paid the proper tax to the  
14 retailer, from obtaining his certificate of title or other  
15 evidence of title or registration (if titling or registration  
16 is required) upon satisfying the Department that such user has  
17 paid the proper tax (if tax is due) to the retailer. The  
18 Department shall adopt appropriate rules to carry out the  
19 mandate of this paragraph.

20 If the user who would otherwise pay tax to the retailer  
21 wants the transaction reporting return filed and the payment of  
22 tax or proof of exemption made to the Department before the  
23 retailer is willing to take these actions and such user has not  
24 paid the tax to the retailer, such user may certify to the fact  
25 of such delay by the retailer, and may (upon the Department  
26 being satisfied of the truth of such certification) transmit

1 the information required by the transaction reporting return  
2 and the remittance for tax or proof of exemption directly to  
3 the Department and obtain his tax receipt or exemption  
4 determination, in which event the transaction reporting return  
5 and tax remittance (if a tax payment was required) shall be  
6 credited by the Department to the proper retailer's account  
7 with the Department, but without the 2.1% or 1.75% discount  
8 provided for in this Section being allowed. When the user pays  
9 the tax directly to the Department, he shall pay the tax in the  
10 same amount and in the same form in which it would be remitted  
11 if the tax had been remitted to the Department by the retailer.

12 Where a retailer collects the tax with respect to the  
13 selling price of tangible personal property which he sells and  
14 the purchaser thereafter returns such tangible personal  
15 property and the retailer refunds the selling price thereof to  
16 the purchaser, such retailer shall also refund, to the  
17 purchaser, the tax so collected from the purchaser. When filing  
18 his return for the period in which he refunds such tax to the  
19 purchaser, the retailer may deduct the amount of the tax so  
20 refunded by him to the purchaser from any other use tax which  
21 such retailer may be required to pay or remit to the  
22 Department, as shown by such return, if the amount of the tax  
23 to be deducted was previously remitted to the Department by  
24 such retailer. If the retailer has not previously remitted the  
25 amount of such tax to the Department, he is entitled to no  
26 deduction under this Act upon refunding such tax to the

1 purchaser.

2 Any retailer filing a return under this Section shall also  
3 include (for the purpose of paying tax thereon) the total tax  
4 covered by such return upon the selling price of tangible  
5 personal property purchased by him at retail from a retailer,  
6 but as to which the tax imposed by this Act was not collected  
7 from the retailer filing such return, and such retailer shall  
8 remit the amount of such tax to the Department when filing such  
9 return.

10 If experience indicates such action to be practicable, the  
11 Department may prescribe and furnish a combination or joint  
12 return which will enable retailers, who are required to file  
13 returns hereunder and also under the Retailers' Occupation Tax  
14 Act, to furnish all the return information required by both  
15 Acts on the one form.

16 Where the retailer has more than one business registered  
17 with the Department under separate registration under this Act,  
18 such retailer may not file each return that is due as a single  
19 return covering all such registered businesses, but shall file  
20 separate returns for each such registered business.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the State and Local Sales Tax Reform Fund, a special  
23 fund in the State Treasury which is hereby created, the net  
24 revenue realized for the preceding month from the 1% tax  
25 imposed under this Act.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the County and Mass Transit District Fund 4% of the  
2 net revenue realized for the preceding month from the 6.25%  
3 general rate on the selling price of tangible personal property  
4 which is purchased outside Illinois at retail from a retailer  
5 and which is titled or registered by an agency of this State's  
6 government.

7 Beginning January 1, 1990, each month the Department shall  
8 pay into the State and Local Sales Tax Reform Fund, a special  
9 fund in the State Treasury, 20% of the net revenue realized for  
10 the preceding month from the 6.25% general rate on the selling  
11 price of tangible personal property, other than tangible  
12 personal property which is purchased outside Illinois at retail  
13 from a retailer and which is titled or registered by an agency  
14 of this State's government.

15 Beginning August 1, 2000, each month the Department shall  
16 pay into the State and Local Sales Tax Reform Fund 100% of the  
17 net revenue realized for the preceding month from the 1.25%  
18 rate on the selling price of motor fuel and gasohol. Beginning  
19 September 1, 2010, each month the Department shall pay into the  
20 State and Local Sales Tax Reform Fund 100% of the net revenue  
21 realized for the preceding month from the 1.25% rate on the  
22 selling price of sales tax holiday items.

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund 16% of the net revenue  
25 realized for the preceding month from the 6.25% general rate on  
26 the selling price of tangible personal property which is

1 purchased outside Illinois at retail from a retailer and which  
2 is titled or registered by an agency of this State's  
3 government.

4 Beginning October 1, 2009, each month the Department shall  
5 pay into the Capital Projects Fund an amount that is equal to  
6 an amount estimated by the Department to represent 80% of the  
7 net revenue realized for the preceding month from the sale of  
8 candy, grooming and hygiene products, and soft drinks that had  
9 been taxed at a rate of 1% prior to September 1, 2009 but that  
10 are now taxed at 6.25%.

11 Beginning July 1, 2011, each month the Department shall pay  
12 into the Clean Air Act Permit Fund 80% of the net revenue  
13 realized for the preceding month from the 6.25% general rate on  
14 the selling price of sorbents used in Illinois in the process  
15 of sorbent injection as used to comply with the Environmental  
16 Protection Act or the federal Clean Air Act, but the total  
17 payment into the Clean Air Act Permit Fund under this Act and  
18 the Retailers' Occupation Tax Act shall not exceed \$2,000,000  
19 in any fiscal year.

20 Beginning July 1, 2013, each month the Department shall pay  
21 into the Underground Storage Tank Fund from the proceeds  
22 collected under this Act, the Service Use Tax Act, the Service  
23 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
24 amount equal to the average monthly deficit in the Underground  
25 Storage Tank Fund during the prior year, as certified annually  
26 by the Illinois Environmental Protection Agency, but the total

1 payment into the Underground Storage Tank Fund under this Act,  
2 the Service Use Tax Act, the Service Occupation Tax Act, and  
3 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
4 in any State fiscal year. As used in this paragraph, the  
5 "average monthly deficit" shall be equal to the difference  
6 between the average monthly claims for payment by the fund and  
7 the average monthly revenues deposited into the fund, excluding  
8 payments made pursuant to this paragraph.

9 Beginning July 1, 2015, of the remainder of the moneys  
10 received by the Department under this Act, the Service Use Tax  
11 Act, the Service Occupation Tax Act, and the Retailers'  
12 Occupation Tax Act, each month the Department shall deposit  
13 \$500,000 into the State Crime Laboratory Fund.

14 Of the remainder of the moneys received by the Department  
15 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
16 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
17 and after July 1, 1989, 3.8% thereof shall be paid into the  
18 Build Illinois Fund; provided, however, that if in any fiscal  
19 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
20 may be, of the moneys received by the Department and required  
21 to be paid into the Build Illinois Fund pursuant to Section 3  
22 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
23 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
24 Service Occupation Tax Act, such Acts being hereinafter called  
25 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
26 may be, of moneys being hereinafter called the "Tax Act



1 Amount", and (2) the amount transferred to the Build Illinois  
2 Fund from the State and Local Sales Tax Reform Fund shall be  
3 less than the Annual Specified Amount (as defined in Section 3  
4 of the Retailers' Occupation Tax Act), an amount equal to the  
5 difference shall be immediately paid into the Build Illinois  
6 Fund from other moneys received by the Department pursuant to  
7 the Tax Acts; and further provided, that if on the last  
8 business day of any month the sum of (1) the Tax Act Amount  
9 required to be deposited into the Build Illinois Bond Account  
10 in the Build Illinois Fund during such month and (2) the amount  
11 transferred during such month to the Build Illinois Fund from  
12 the State and Local Sales Tax Reform Fund shall have been less  
13 than 1/12 of the Annual Specified Amount, an amount equal to  
14 the difference shall be immediately paid into the Build  
15 Illinois Fund from other moneys received by the Department  
16 pursuant to the Tax Acts; and, further provided, that in no  
17 event shall the payments required under the preceding proviso  
18 result in aggregate payments into the Build Illinois Fund  
19 pursuant to this clause (b) for any fiscal year in excess of  
20 the greater of (i) the Tax Act Amount or (ii) the Annual  
21 Specified Amount for such fiscal year; and, further provided,  
22 that the amounts payable into the Build Illinois Fund under  
23 this clause (b) shall be payable only until such time as the  
24 aggregate amount on deposit under each trust indenture securing  
25 Bonds issued and outstanding pursuant to the Build Illinois  
26 Bond Act is sufficient, taking into account any future

1 investment income, to fully provide, in accordance with such  
2 indenture, for the defeasance of or the payment of the  
3 principal of, premium, if any, and interest on the Bonds  
4 secured by such indenture and on any Bonds expected to be  
5 issued thereafter and all fees and costs payable with respect  
6 thereto, all as certified by the Director of the Bureau of the  
7 Budget (now Governor's Office of Management and Budget). If on  
8 the last business day of any month in which Bonds are  
9 outstanding pursuant to the Build Illinois Bond Act, the  
10 aggregate of the moneys deposited in the Build Illinois Bond  
11 Account in the Build Illinois Fund in such month shall be less  
12 than the amount required to be transferred in such month from  
13 the Build Illinois Bond Account to the Build Illinois Bond  
14 Retirement and Interest Fund pursuant to Section 13 of the  
15 Build Illinois Bond Act, an amount equal to such deficiency  
16 shall be immediately paid from other moneys received by the  
17 Department pursuant to the Tax Acts to the Build Illinois Fund;  
18 provided, however, that any amounts paid to the Build Illinois  
19 Fund in any fiscal year pursuant to this sentence shall be  
20 deemed to constitute payments pursuant to clause (b) of the  
21 preceding sentence and shall reduce the amount otherwise  
22 payable for such fiscal year pursuant to clause (b) of the  
23 preceding sentence. The moneys received by the Department  
24 pursuant to this Act and required to be deposited into the  
25 Build Illinois Fund are subject to the pledge, claim and charge  
26 set forth in Section 12 of the Build Illinois Bond Act.

1 Subject to payment of amounts into the Build Illinois Fund  
2 as provided in the preceding paragraph or in any amendment  
3 thereto hereafter enacted, the following specified monthly  
4 installment of the amount requested in the certificate of the  
5 Chairman of the Metropolitan Pier and Exposition Authority  
6 provided under Section 8.25f of the State Finance Act, but not  
7 in excess of the sums designated as "Total Deposit", shall be  
8 deposited in the aggregate from collections under Section 9 of  
9 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
10 9 of the Service Occupation Tax Act, and Section 3 of the  
11 Retailers' Occupation Tax Act into the McCormick Place  
12 Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000
2003	99,000,000
2004	103,000,000
2005	108,000,000

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	246,000,000
17	2022	260,000,000
18	2023	275,000,000
19	2024	275,000,000
20	2025	275,000,000
21	2026	279,000,000
22	2027	292,000,000
23	2028	307,000,000
24	2029	322,000,000
25	2030	338,000,000
26	2031	350,000,000

1                               2032                               350,000,000  
2                               and  
3                               each fiscal year  
4                               thereafter that bonds  
5                               are outstanding under  
6                               Section 13.2 of the  
7                               Metropolitan Pier and  
8                               Exposition Authority Act,  
9                               but not after fiscal year 2060.

10           Beginning July 20, 1993 and in each month of each fiscal  
11   year thereafter, one-eighth of the amount requested in the  
12   certificate of the Chairman of the Metropolitan Pier and  
13   Exposition Authority for that fiscal year, less the amount  
14   deposited into the McCormick Place Expansion Project Fund by  
15   the State Treasurer in the respective month under subsection  
16   (g) of Section 13 of the Metropolitan Pier and Exposition  
17   Authority Act, plus cumulative deficiencies in the deposits  
18   required under this Section for previous months and years,  
19   shall be deposited into the McCormick Place Expansion Project  
20   Fund, until the full amount requested for the fiscal year, but  
21   not in excess of the amount specified above as "Total Deposit",  
22   has been deposited.

23           Subject to payment of amounts into the Build Illinois Fund  
24   and the McCormick Place Expansion Project Fund pursuant to the  
25   preceding paragraphs or in any amendments thereto hereafter  
26   enacted, beginning July 1, 1993 and ending on September 30,

1 2013, the Department shall each month pay into the Illinois Tax  
2 Increment Fund 0.27% of 80% of the net revenue realized for the  
3 preceding month from the 6.25% general rate on the selling  
4 price of tangible personal property.

5 Subject to payment of amounts into the Build Illinois Fund  
6 and the McCormick Place Expansion Project Fund pursuant to the  
7 preceding paragraphs or in any amendments thereto hereafter  
8 enacted, beginning with the receipt of the first report of  
9 taxes paid by an eligible business and continuing for a 25-year  
10 period, the Department shall each month pay into the Energy  
11 Infrastructure Fund 80% of the net revenue realized from the  
12 6.25% general rate on the selling price of Illinois-mined coal  
13 that was sold to an eligible business. For purposes of this  
14 paragraph, the term "eligible business" means a new electric  
15 generating facility certified pursuant to Section 605-332 of  
16 the Department of Commerce and Economic Opportunity Law of the  
17 Civil Administrative Code of Illinois.

18 Subject to payment of amounts into the Build Illinois Fund,  
19 the McCormick Place Expansion Project Fund, the Illinois Tax  
20 Increment Fund, and the Energy Infrastructure Fund pursuant to  
21 the preceding paragraphs or in any amendments to this Section  
22 hereafter enacted, beginning on the first day of the first  
23 calendar month to occur on or after August 26, 2014 (the  
24 effective date of Public Act 98-1098), each month, from the  
25 collections made under Section 9 of the Use Tax Act, Section 9  
26 of the Service Use Tax Act, Section 9 of the Service Occupation

1 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
2 the Department shall pay into the Tax Compliance and  
3 Administration Fund, to be used, subject to appropriation, to  
4 fund additional auditors and compliance personnel at the  
5 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
6 the cash receipts collected during the preceding fiscal year by  
7 the Audit Bureau of the Department under the Use Tax Act, the  
8 Service Use Tax Act, the Service Occupation Tax Act, the  
9 Retailers' Occupation Tax Act, and associated local occupation  
10 and use taxes administered by the Department.

11 Subject to payments of amounts into the Build Illinois  
12 Fund, the McCormick Place Expansion Project Fund, the Illinois  
13 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
14 Compliance and Administration Fund as provided in this Section,  
15 beginning on July 1, 2018 the Department shall pay each month  
16 into the Downstate Public Transportation Fund the moneys  
17 required to be so paid under Section 2-3 of the Downstate  
18 Public Transportation Act.

19 Of the remainder of the moneys received by the Department  
20 pursuant to this Act, 75% thereof shall be paid into the State  
21 Treasury and 25% shall be reserved in a special account and  
22 used only for the transfer to the Common School Fund as part of  
23 the monthly transfer from the General Revenue Fund in  
24 accordance with Section 8a of the State Finance Act.

25 As soon as possible after the first day of each month, upon  
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from  
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
3 equal to 1.7% of 80% of the net revenue realized under this Act  
4 for the second preceding month. Beginning April 1, 2000, this  
5 transfer is no longer required and shall not be made.

6 Net revenue realized for a month shall be the revenue  
7 collected by the State pursuant to this Act, less the amount  
8 paid out during that month as refunds to taxpayers for  
9 overpayment of liability.

10 For greater simplicity of administration, manufacturers,  
11 importers and wholesalers whose products are sold at retail in  
12 Illinois by numerous retailers, and who wish to do so, may  
13 assume the responsibility for accounting and paying to the  
14 Department all tax accruing under this Act with respect to such  
15 sales, if the retailers who are affected do not make written  
16 objection to the Department to this arrangement.

17 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
18 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.  
19 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

20 Section 900-17. The Service Use Tax Act is amended by  
21 changing Section 9 as follows:

22 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

23 Sec. 9. Each serviceman required or authorized to collect  
24 the tax herein imposed shall pay to the Department the amount



1 of such tax (except as otherwise provided) at the time when he  
2 is required to file his return for the period during which such  
3 tax was collected, less a discount of 2.1% prior to January 1,  
4 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
5 year, whichever is greater, which is allowed to reimburse the  
6 serviceman for expenses incurred in collecting the tax, keeping  
7 records, preparing and filing returns, remitting the tax and  
8 supplying data to the Department on request. The discount  
9 allowed under this Section is allowed only for returns that are  
10 filed in the manner required by this Act. The Department may  
11 disallow the discount for servicemen whose certificate of  
12 registration is revoked at the time the return is filed, but  
13 only if the Department's decision to revoke the certificate of  
14 registration has become final. A serviceman need not remit that  
15 part of any tax collected by him to the extent that he is  
16 required to pay and does pay the tax imposed by the Service  
17 Occupation Tax Act with respect to his sale of service  
18 involving the incidental transfer by him of the same property.

19 Except as provided hereinafter in this Section, on or  
20 before the twentieth day of each calendar month, such  
21 serviceman shall file a return for the preceding calendar month  
22 in accordance with reasonable Rules and Regulations to be  
23 promulgated by the Department. Such return shall be filed on a  
24 form prescribed by the Department and shall contain such  
25 information as the Department may reasonably require. On and  
26 after January 1, 2018, with respect to servicemen whose annual

1 gross receipts average \$20,000 or more, all returns required to  
2 be filed pursuant to this Act shall be filed electronically.  
3 Servicemen who demonstrate that they do not have access to the  
4 Internet or demonstrate hardship in filing electronically may  
5 petition the Department to waive the electronic filing  
6 requirement.

7 The Department may require returns to be filed on a  
8 quarterly basis. If so required, a return for each calendar  
9 quarter shall be filed on or before the twentieth day of the  
10 calendar month following the end of such calendar quarter. The  
11 taxpayer shall also file a return with the Department for each  
12 of the first two months of each calendar quarter, on or before  
13 the twentieth day of the following calendar month, stating:

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from  
16 which he engages in business as a serviceman in this State;
- 17 3. The total amount of taxable receipts received by him  
18 during the preceding calendar month, including receipts  
19 from charge and time sales, but less all deductions allowed  
20 by law;
- 21 4. The amount of credit provided in Section 2d of this  
22 Act;
- 23 5. The amount of tax due;
- 24 5-5. The signature of the taxpayer; and
- 25 6. Such other reasonable information as the Department  
26 may require.

1 If a taxpayer fails to sign a return within 30 days after  
2 the proper notice and demand for signature by the Department,  
3 the return shall be considered valid and any amount shown to be  
4 due on the return shall be deemed assessed.

5 Notwithstanding any other provision of this Act to the  
6 contrary, servicemen subject to tax on cannabis shall file all  
7 cannabis tax returns and shall make all cannabis tax payments  
8 by electronic means in the manner and form required by the  
9 Department.

10 Beginning October 1, 1993, a taxpayer who has an average  
11 monthly tax liability of \$150,000 or more shall make all  
12 payments required by rules of the Department by electronic  
13 funds transfer. Beginning October 1, 1994, a taxpayer who has  
14 an average monthly tax liability of \$100,000 or more shall make  
15 all payments required by rules of the Department by electronic  
16 funds transfer. Beginning October 1, 1995, a taxpayer who has  
17 an average monthly tax liability of \$50,000 or more shall make  
18 all payments required by rules of the Department by electronic  
19 funds transfer. Beginning October 1, 2000, a taxpayer who has  
20 an annual tax liability of \$200,000 or more shall make all  
21 payments required by rules of the Department by electronic  
22 funds transfer. The term "annual tax liability" shall be the  
23 sum of the taxpayer's liabilities under this Act, and under all  
24 other State and local occupation and use tax laws administered  
25 by the Department, for the immediately preceding calendar year.  
26 The term "average monthly tax liability" means the sum of the

1 taxpayer's liabilities under this Act, and under all other  
2 State and local occupation and use tax laws administered by the  
3 Department, for the immediately preceding calendar year  
4 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
5 a tax liability in the amount set forth in subsection (b) of  
6 Section 2505-210 of the Department of Revenue Law shall make  
7 all payments required by rules of the Department by electronic  
8 funds transfer.

9 Before August 1 of each year beginning in 1993, the  
10 Department shall notify all taxpayers required to make payments  
11 by electronic funds transfer. All taxpayers required to make  
12 payments by electronic funds transfer shall make those payments  
13 for a minimum of one year beginning on October 1.

14 Any taxpayer not required to make payments by electronic  
15 funds transfer may make payments by electronic funds transfer  
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds  
18 transfer and any taxpayers authorized to voluntarily make  
19 payments by electronic funds transfer shall make those payments  
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to  
22 effectuate a program of electronic funds transfer and the  
23 requirements of this Section.

24 If the serviceman is otherwise required to file a monthly  
25 return and if the serviceman's average monthly tax liability to  
26 the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,  
2 with the return for January, February and March of a given year  
3 being due by April 20 of such year; with the return for April,  
4 May and June of a given year being due by July 20 of such year;  
5 with the return for July, August and September of a given year  
6 being due by October 20 of such year, and with the return for  
7 October, November and December of a given year being due by  
8 January 20 of the following year.

9 If the serviceman is otherwise required to file a monthly  
10 or quarterly return and if the serviceman's average monthly tax  
11 liability to the Department does not exceed \$50, the Department  
12 may authorize his returns to be filed on an annual basis, with  
13 the return for a given year being due by January 20 of the  
14 following year.

15 Such quarter annual and annual returns, as to form and  
16 substance, shall be subject to the same requirements as monthly  
17 returns.

18 Notwithstanding any other provision in this Act concerning  
19 the time within which a serviceman may file his return, in the  
20 case of any serviceman who ceases to engage in a kind of  
21 business which makes him responsible for filing returns under  
22 this Act, such serviceman shall file a final return under this  
23 Act with the Department not more than 1 month after  
24 discontinuing such business.

25 Where a serviceman collects the tax with respect to the  
26 selling price of property which he sells and the purchaser

1 thereafter returns such property and the serviceman refunds the  
2 selling price thereof to the purchaser, such serviceman shall  
3 also refund, to the purchaser, the tax so collected from the  
4 purchaser. When filing his return for the period in which he  
5 refunds such tax to the purchaser, the serviceman may deduct  
6 the amount of the tax so refunded by him to the purchaser from  
7 any other Service Use Tax, Service Occupation Tax, retailers'  
8 occupation tax or use tax which such serviceman may be required  
9 to pay or remit to the Department, as shown by such return,  
10 provided that the amount of the tax to be deducted shall  
11 previously have been remitted to the Department by such  
12 serviceman. If the serviceman shall not previously have  
13 remitted the amount of such tax to the Department, he shall be  
14 entitled to no deduction hereunder upon refunding such tax to  
15 the purchaser.

16 Any serviceman filing a return hereunder shall also include  
17 the total tax upon the selling price of tangible personal  
18 property purchased for use by him as an incident to a sale of  
19 service, and such serviceman shall remit the amount of such tax  
20 to the Department when filing such return.

21 If experience indicates such action to be practicable, the  
22 Department may prescribe and furnish a combination or joint  
23 return which will enable servicemen, who are required to file  
24 returns hereunder and also under the Service Occupation Tax  
25 Act, to furnish all the return information required by both  
26 Acts on the one form.

1       Where the serviceman has more than one business registered  
2       with the Department under separate registration hereunder,  
3       such serviceman shall not file each return that is due as a  
4       single return covering all such registered businesses, but  
5       shall file separate returns for each such registered business.

6       Beginning January 1, 1990, each month the Department shall  
7       pay into the State and Local Tax Reform Fund, a special fund in  
8       the State Treasury, the net revenue realized for the preceding  
9       month from the 1% tax imposed under this Act.

10       Beginning January 1, 1990, each month the Department shall  
11       pay into the State and Local Sales Tax Reform Fund 20% of the  
12       net revenue realized for the preceding month from the 6.25%  
13       general rate on transfers of tangible personal property, other  
14       than tangible personal property which is purchased outside  
15       Illinois at retail from a retailer and which is titled or  
16       registered by an agency of this State's government.

17       Beginning August 1, 2000, each month the Department shall  
18       pay into the State and Local Sales Tax Reform Fund 100% of the  
19       net revenue realized for the preceding month from the 1.25%  
20       rate on the selling price of motor fuel and gasohol.

21       Beginning October 1, 2009, each month the Department shall  
22       pay into the Capital Projects Fund an amount that is equal to  
23       an amount estimated by the Department to represent 80% of the  
24       net revenue realized for the preceding month from the sale of  
25       candy, grooming and hygiene products, and soft drinks that had  
26       been taxed at a rate of 1% prior to September 1, 2009 but that

1 are now taxed at 6.25%.

2 Beginning July 1, 2013, each month the Department shall pay  
3 into the Underground Storage Tank Fund from the proceeds  
4 collected under this Act, the Use Tax Act, the Service  
5 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
6 amount equal to the average monthly deficit in the Underground  
7 Storage Tank Fund during the prior year, as certified annually  
8 by the Illinois Environmental Protection Agency, but the total  
9 payment into the Underground Storage Tank Fund under this Act,  
10 the Use Tax Act, the Service Occupation Tax Act, and the  
11 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
12 any State fiscal year. As used in this paragraph, the "average  
13 monthly deficit" shall be equal to the difference between the  
14 average monthly claims for payment by the fund and the average  
15 monthly revenues deposited into the fund, excluding payments  
16 made pursuant to this paragraph.

17 Beginning July 1, 2015, of the remainder of the moneys  
18 received by the Department under the Use Tax Act, this Act, the  
19 Service Occupation Tax Act, and the Retailers' Occupation Tax  
20 Act, each month the Department shall deposit \$500,000 into the  
21 State Crime Laboratory Fund.

22 Of the remainder of the moneys received by the Department  
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
25 and after July 1, 1989, 3.8% thereof shall be paid into the  
26 Build Illinois Fund; provided, however, that if in any fiscal



1 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
2 may be, of the moneys received by the Department and required  
3 to be paid into the Build Illinois Fund pursuant to Section 3  
4 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
5 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
6 Service Occupation Tax Act, such Acts being hereinafter called  
7 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
8 may be, of moneys being hereinafter called the "Tax Act  
9 Amount", and (2) the amount transferred to the Build Illinois  
10 Fund from the State and Local Sales Tax Reform Fund shall be  
11 less than the Annual Specified Amount (as defined in Section 3  
12 of the Retailers' Occupation Tax Act), an amount equal to the  
13 difference shall be immediately paid into the Build Illinois  
14 Fund from other moneys received by the Department pursuant to  
15 the Tax Acts; and further provided, that if on the last  
16 business day of any month the sum of (1) the Tax Act Amount  
17 required to be deposited into the Build Illinois Bond Account  
18 in the Build Illinois Fund during such month and (2) the amount  
19 transferred during such month to the Build Illinois Fund from  
20 the State and Local Sales Tax Reform Fund shall have been less  
21 than 1/12 of the Annual Specified Amount, an amount equal to  
22 the difference shall be immediately paid into the Build  
23 Illinois Fund from other moneys received by the Department  
24 pursuant to the Tax Acts; and, further provided, that in no  
25 event shall the payments required under the preceding proviso  
26 result in aggregate payments into the Build Illinois Fund

1 pursuant to this clause (b) for any fiscal year in excess of  
2 the greater of (i) the Tax Act Amount or (ii) the Annual  
3 Specified Amount for such fiscal year; and, further provided,  
4 that the amounts payable into the Build Illinois Fund under  
5 this clause (b) shall be payable only until such time as the  
6 aggregate amount on deposit under each trust indenture securing  
7 Bonds issued and outstanding pursuant to the Build Illinois  
8 Bond Act is sufficient, taking into account any future  
9 investment income, to fully provide, in accordance with such  
10 indenture, for the defeasance of or the payment of the  
11 principal of, premium, if any, and interest on the Bonds  
12 secured by such indenture and on any Bonds expected to be  
13 issued thereafter and all fees and costs payable with respect  
14 thereto, all as certified by the Director of the Bureau of the  
15 Budget (now Governor's Office of Management and Budget). If on  
16 the last business day of any month in which Bonds are  
17 outstanding pursuant to the Build Illinois Bond Act, the  
18 aggregate of the moneys deposited in the Build Illinois Bond  
19 Account in the Build Illinois Fund in such month shall be less  
20 than the amount required to be transferred in such month from  
21 the Build Illinois Bond Account to the Build Illinois Bond  
22 Retirement and Interest Fund pursuant to Section 13 of the  
23 Build Illinois Bond Act, an amount equal to such deficiency  
24 shall be immediately paid from other moneys received by the  
25 Department pursuant to the Tax Acts to the Build Illinois Fund;  
26 provided, however, that any amounts paid to the Build Illinois

Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	246,000,000
26	2022	260,000,000

1	2023	275,000,000
2	2024	275,000,000
3	2025	275,000,000
4	2026	279,000,000
5	2027	292,000,000
6	2028	307,000,000
7	2029	322,000,000
8	2030	338,000,000
9	2031	350,000,000
10	2032	350,000,000

11                   and  
12                   each fiscal year  
13                   thereafter that bonds  
14                   are outstanding under  
15                   Section 13.2 of the  
16                   Metropolitan Pier and  
17                   Exposition Authority Act,  
18                   but not after fiscal year 2060.

19                   Beginning July 20, 1993 and in each month of each fiscal  
20                   year thereafter, one-eighth of the amount requested in the  
21                   certificate of the Chairman of the Metropolitan Pier and  
22                   Exposition Authority for that fiscal year, less the amount  
23                   deposited into the McCormick Place Expansion Project Fund by  
24                   the State Treasurer in the respective month under subsection  
25                   (g) of Section 13 of the Metropolitan Pier and Exposition  
26                   Authority Act, plus cumulative deficiencies in the deposits

1 required under this Section for previous months and years,  
2 shall be deposited into the McCormick Place Expansion Project  
3 Fund, until the full amount requested for the fiscal year, but  
4 not in excess of the amount specified above as "Total Deposit",  
5 has been deposited.

6 Subject to payment of amounts into the Build Illinois Fund  
7 and the McCormick Place Expansion Project Fund pursuant to the  
8 preceding paragraphs or in any amendments thereto hereafter  
9 enacted, beginning July 1, 1993 and ending on September 30,  
10 2013, the Department shall each month pay into the Illinois Tax  
11 Increment Fund 0.27% of 80% of the net revenue realized for the  
12 preceding month from the 6.25% general rate on the selling  
13 price of tangible personal property.

14 Subject to payment of amounts into the Build Illinois Fund  
15 and the McCormick Place Expansion Project Fund pursuant to the  
16 preceding paragraphs or in any amendments thereto hereafter  
17 enacted, beginning with the receipt of the first report of  
18 taxes paid by an eligible business and continuing for a 25-year  
19 period, the Department shall each month pay into the Energy  
20 Infrastructure Fund 80% of the net revenue realized from the  
21 6.25% general rate on the selling price of Illinois-mined coal  
22 that was sold to an eligible business. For purposes of this  
23 paragraph, the term "eligible business" means a new electric  
24 generating facility certified pursuant to Section 605-332 of  
25 the Department of Commerce and Economic Opportunity Law of the  
26 Civil Administrative Code of Illinois.

1           Subject to payment of amounts into the Build Illinois Fund,  
2           the McCormick Place Expansion Project Fund, the Illinois Tax  
3           Increment Fund, and the Energy Infrastructure Fund pursuant to  
4           the preceding paragraphs or in any amendments to this Section  
5           hereafter enacted, beginning on the first day of the first  
6           calendar month to occur on or after August 26, 2014 (the  
7           effective date of Public Act 98-1098), each month, from the  
8           collections made under Section 9 of the Use Tax Act, Section 9  
9           of the Service Use Tax Act, Section 9 of the Service Occupation  
10          Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
11          the Department shall pay into the Tax Compliance and  
12          Administration Fund, to be used, subject to appropriation, to  
13          fund additional auditors and compliance personnel at the  
14          Department of Revenue, an amount equal to  $\frac{1}{12}$  of 5% of 80% of  
15          the cash receipts collected during the preceding fiscal year by  
16          the Audit Bureau of the Department under the Use Tax Act, the  
17          Service Use Tax Act, the Service Occupation Tax Act, the  
18          Retailers' Occupation Tax Act, and associated local occupation  
19          and use taxes administered by the Department.

20          Subject to payments of amounts into the Build Illinois  
21          Fund, the McCormick Place Expansion Project Fund, the Illinois  
22          Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
23          Compliance and Administration Fund as provided in this Section,  
24          beginning on July 1, 2018 the Department shall pay each month  
25          into the Downstate Public Transportation Fund the moneys  
26          required to be so paid under Section 2-3 of the Downstate

1 Public Transportation Act.

2 Of the remainder of the moneys received by the Department  
3 pursuant to this Act, 75% thereof shall be paid into the  
4 General Revenue Fund of the State Treasury and 25% shall be  
5 reserved in a special account and used only for the transfer to  
6 the Common School Fund as part of the monthly transfer from the  
7 General Revenue Fund in accordance with Section 8a of the State  
8 Finance Act.

9 As soon as possible after the first day of each month, upon  
10 certification of the Department of Revenue, the Comptroller  
11 shall order transferred and the Treasurer shall transfer from  
12 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
13 equal to 1.7% of 80% of the net revenue realized under this Act  
14 for the second preceding month. Beginning April 1, 2000, this  
15 transfer is no longer required and shall not be made.

16 Net revenue realized for a month shall be the revenue  
17 collected by the State pursuant to this Act, less the amount  
18 paid out during that month as refunds to taxpayers for  
19 overpayment of liability.

20 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
21 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.  
22 8-14-18; 100-1171, eff. 1-4-19.)

23 Section 900-18. The Service Occupation Tax Act is amended  
24 by changing Section 9 as follows:



1 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

2 Sec. 9. Each serviceman required or authorized to collect  
3 the tax herein imposed shall pay to the Department the amount  
4 of such tax at the time when he is required to file his return  
5 for the period during which such tax was collectible, less a  
6 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
7 after January 1, 1990, or \$5 per calendar year, whichever is  
8 greater, which is allowed to reimburse the serviceman for  
9 expenses incurred in collecting the tax, keeping records,  
10 preparing and filing returns, remitting the tax and supplying  
11 data to the Department on request. The discount allowed under  
12 this Section is allowed only for returns that are filed in the  
13 manner required by this Act. The Department may disallow the  
14 discount for servicemen whose certificate of registration is  
15 revoked at the time the return is filed, but only if the  
16 Department's decision to revoke the certificate of  
17 registration has become final.

18 Where such tangible personal property is sold under a  
19 conditional sales contract, or under any other form of sale  
20 wherein the payment of the principal sum, or a part thereof, is  
21 extended beyond the close of the period for which the return is  
22 filed, the serviceman, in collecting the tax may collect, for  
23 each tax return period, only the tax applicable to the part of  
24 the selling price actually received during such tax return  
25 period.

26 Except as provided hereinafter in this Section, on or

1 before the twentieth day of each calendar month, such  
2 serviceman shall file a return for the preceding calendar month  
3 in accordance with reasonable rules and regulations to be  
4 promulgated by the Department of Revenue. Such return shall be  
5 filed on a form prescribed by the Department and shall contain  
6 such information as the Department may reasonably require. On  
7 and after January 1, 2018, with respect to servicemen whose  
8 annual gross receipts average \$20,000 or more, all returns  
9 required to be filed pursuant to this Act shall be filed  
10 electronically. Servicemen who demonstrate that they do not  
11 have access to the Internet or demonstrate hardship in filing  
12 electronically may petition the Department to waive the  
13 electronic filing requirement.

14 The Department may require returns to be filed on a  
15 quarterly basis. If so required, a return for each calendar  
16 quarter shall be filed on or before the twentieth day of the  
17 calendar month following the end of such calendar quarter. The  
18 taxpayer shall also file a return with the Department for each  
19 of the first two months of each calendar quarter, on or before  
20 the twentieth day of the following calendar month, stating:

- 21 1. The name of the seller;
- 22 2. The address of the principal place of business from  
23 which he engages in business as a serviceman in this State;
- 24 3. The total amount of taxable receipts received by him  
25 during the preceding calendar month, including receipts  
26 from charge and time sales, but less all deductions allowed

1 by law;

2 4. The amount of credit provided in Section 2d of this  
3 Act;

4 5. The amount of tax due;

5 5-5. The signature of the taxpayer; and

6 6. Such other reasonable information as the Department  
7 may require.

8 If a taxpayer fails to sign a return within 30 days after  
9 the proper notice and demand for signature by the Department,  
10 the return shall be considered valid and any amount shown to be  
11 due on the return shall be deemed assessed.

12 Notwithstanding any other provision of this Act to the  
13 contrary, servicemen subject to tax on cannabis shall file all  
14 cannabis tax returns and shall make all cannabis tax payments  
15 by electronic means in the manner and form required by the  
16 Department.

17 Prior to October 1, 2003, and on and after September 1,  
18 2004 a serviceman may accept a Manufacturer's Purchase Credit  
19 certification from a purchaser in satisfaction of Service Use  
20 Tax as provided in Section 3-70 of the Service Use Tax Act if  
21 the purchaser provides the appropriate documentation as  
22 required by Section 3-70 of the Service Use Tax Act. A  
23 Manufacturer's Purchase Credit certification, accepted prior  
24 to October 1, 2003 or on or after September 1, 2004 by a  
25 serviceman as provided in Section 3-70 of the Service Use Tax  
26 Act, may be used by that serviceman to satisfy Service

1 Occupation Tax liability in the amount claimed in the  
2 certification, not to exceed 6.25% of the receipts subject to  
3 tax from a qualifying purchase. A Manufacturer's Purchase  
4 Credit reported on any original or amended return filed under  
5 this Act after October 20, 2003 for reporting periods prior to  
6 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
7 Credit reported on annual returns due on or after January 1,  
8 2005 will be disallowed for periods prior to September 1, 2004.  
9 No Manufacturer's Purchase Credit may be used after September  
10 30, 2003 through August 31, 2004 to satisfy any tax liability  
11 imposed under this Act, including any audit liability.

12 If the serviceman's average monthly tax liability to the  
13 Department does not exceed \$200, the Department may authorize  
14 his returns to be filed on a quarter annual basis, with the  
15 return for January, February and March of a given year being  
16 due by April 20 of such year; with the return for April, May  
17 and June of a given year being due by July 20 of such year; with  
18 the return for July, August and September of a given year being  
19 due by October 20 of such year, and with the return for  
20 October, November and December of a given year being due by  
21 January 20 of the following year.

22 If the serviceman's average monthly tax liability to the  
23 Department does not exceed \$50, the Department may authorize  
24 his returns to be filed on an annual basis, with the return for  
25 a given year being due by January 20 of the following year.

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly  
2 returns.

3 Notwithstanding any other provision in this Act concerning  
4 the time within which a serviceman may file his return, in the  
5 case of any serviceman who ceases to engage in a kind of  
6 business which makes him responsible for filing returns under  
7 this Act, such serviceman shall file a final return under this  
8 Act with the Department not more than 1 month after  
9 discontinuing such business.

10 Beginning October 1, 1993, a taxpayer who has an average  
11 monthly tax liability of \$150,000 or more shall make all  
12 payments required by rules of the Department by electronic  
13 funds transfer. Beginning October 1, 1994, a taxpayer who has  
14 an average monthly tax liability of \$100,000 or more shall make  
15 all payments required by rules of the Department by electronic  
16 funds transfer. Beginning October 1, 1995, a taxpayer who has  
17 an average monthly tax liability of \$50,000 or more shall make  
18 all payments required by rules of the Department by electronic  
19 funds transfer. Beginning October 1, 2000, a taxpayer who has  
20 an annual tax liability of \$200,000 or more shall make all  
21 payments required by rules of the Department by electronic  
22 funds transfer. The term "annual tax liability" shall be the  
23 sum of the taxpayer's liabilities under this Act, and under all  
24 other State and local occupation and use tax laws administered  
25 by the Department, for the immediately preceding calendar year.  
26 The term "average monthly tax liability" means the sum of the

1 taxpayer's liabilities under this Act, and under all other  
2 State and local occupation and use tax laws administered by the  
3 Department, for the immediately preceding calendar year  
4 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
5 a tax liability in the amount set forth in subsection (b) of  
6 Section 2505-210 of the Department of Revenue Law shall make  
7 all payments required by rules of the Department by electronic  
8 funds transfer.

9 Before August 1 of each year beginning in 1993, the  
10 Department shall notify all taxpayers required to make payments  
11 by electronic funds transfer. All taxpayers required to make  
12 payments by electronic funds transfer shall make those payments  
13 for a minimum of one year beginning on October 1.

14 Any taxpayer not required to make payments by electronic  
15 funds transfer may make payments by electronic funds transfer  
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds  
18 transfer and any taxpayers authorized to voluntarily make  
19 payments by electronic funds transfer shall make those payments  
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to  
22 effectuate a program of electronic funds transfer and the  
23 requirements of this Section.

24 Where a serviceman collects the tax with respect to the  
25 selling price of tangible personal property which he sells and  
26 the purchaser thereafter returns such tangible personal

1 property and the serviceman refunds the selling price thereof  
2 to the purchaser, such serviceman shall also refund, to the  
3 purchaser, the tax so collected from the purchaser. When filing  
4 his return for the period in which he refunds such tax to the  
5 purchaser, the serviceman may deduct the amount of the tax so  
6 refunded by him to the purchaser from any other Service  
7 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
8 Use Tax which such serviceman may be required to pay or remit  
9 to the Department, as shown by such return, provided that the  
10 amount of the tax to be deducted shall previously have been  
11 remitted to the Department by such serviceman. If the  
12 serviceman shall not previously have remitted the amount of  
13 such tax to the Department, he shall be entitled to no  
14 deduction hereunder upon refunding such tax to the purchaser.

15 If experience indicates such action to be practicable, the  
16 Department may prescribe and furnish a combination or joint  
17 return which will enable servicemen, who are required to file  
18 returns hereunder and also under the Retailers' Occupation Tax  
19 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
20 the return information required by all said Acts on the one  
21 form.

22 Where the serviceman has more than one business registered  
23 with the Department under separate registrations hereunder,  
24 such serviceman shall file separate returns for each registered  
25 business.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund the revenue realized for  
2 the preceding month from the 1% tax imposed under this Act.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the County and Mass Transit District Fund 4% of the  
5 revenue realized for the preceding month from the 6.25% general  
6 rate.

7 Beginning August 1, 2000, each month the Department shall  
8 pay into the County and Mass Transit District Fund 20% of the  
9 net revenue realized for the preceding month from the 1.25%  
10 rate on the selling price of motor fuel and gasohol.

11 Beginning January 1, 1990, each month the Department shall  
12 pay into the Local Government Tax Fund 16% of the revenue  
13 realized for the preceding month from the 6.25% general rate on  
14 transfers of tangible personal property.

15 Beginning August 1, 2000, each month the Department shall  
16 pay into the Local Government Tax Fund 80% of the net revenue  
17 realized for the preceding month from the 1.25% rate on the  
18 selling price of motor fuel and gasohol.

19 Beginning October 1, 2009, each month the Department shall  
20 pay into the Capital Projects Fund an amount that is equal to  
21 an amount estimated by the Department to represent 80% of the  
22 net revenue realized for the preceding month from the sale of  
23 candy, grooming and hygiene products, and soft drinks that had  
24 been taxed at a rate of 1% prior to September 1, 2009 but that  
25 are now taxed at 6.25%.

26 Beginning July 1, 2013, each month the Department shall pay



1 into the Underground Storage Tank Fund from the proceeds  
2 collected under this Act, the Use Tax Act, the Service Use Tax  
3 Act, and the Retailers' Occupation Tax Act an amount equal to  
4 the average monthly deficit in the Underground Storage Tank  
5 Fund during the prior year, as certified annually by the  
6 Illinois Environmental Protection Agency, but the total  
7 payment into the Underground Storage Tank Fund under this Act,  
8 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
9 Occupation Tax Act shall not exceed \$18,000,000 in any State  
10 fiscal year. As used in this paragraph, the "average monthly  
11 deficit" shall be equal to the difference between the average  
12 monthly claims for payment by the fund and the average monthly  
13 revenues deposited into the fund, excluding payments made  
14 pursuant to this paragraph.

15 Beginning July 1, 2015, of the remainder of the moneys  
16 received by the Department under the Use Tax Act, the Service  
17 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
18 each month the Department shall deposit \$500,000 into the State  
19 Crime Laboratory Fund.

20 Of the remainder of the moneys received by the Department  
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
23 and after July 1, 1989, 3.8% thereof shall be paid into the  
24 Build Illinois Fund; provided, however, that if in any fiscal  
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
26 may be, of the moneys received by the Department and required

1 to be paid into the Build Illinois Fund pursuant to Section 3  
2 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
3 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
4 Service Occupation Tax Act, such Acts being hereinafter called  
5 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
6 may be, of moneys being hereinafter called the "Tax Act  
7 Amount", and (2) the amount transferred to the Build Illinois  
8 Fund from the State and Local Sales Tax Reform Fund shall be  
9 less than the Annual Specified Amount (as defined in Section 3  
10 of the Retailers' Occupation Tax Act), an amount equal to the  
11 difference shall be immediately paid into the Build Illinois  
12 Fund from other moneys received by the Department pursuant to  
13 the Tax Acts; and further provided, that if on the last  
14 business day of any month the sum of (1) the Tax Act Amount  
15 required to be deposited into the Build Illinois Account in the  
16 Build Illinois Fund during such month and (2) the amount  
17 transferred during such month to the Build Illinois Fund from  
18 the State and Local Sales Tax Reform Fund shall have been less  
19 than 1/12 of the Annual Specified Amount, an amount equal to  
20 the difference shall be immediately paid into the Build  
21 Illinois Fund from other moneys received by the Department  
22 pursuant to the Tax Acts; and, further provided, that in no  
23 event shall the payments required under the preceding proviso  
24 result in aggregate payments into the Build Illinois Fund  
25 pursuant to this clause (b) for any fiscal year in excess of  
26 the greater of (i) the Tax Act Amount or (ii) the Annual

1 Specified Amount for such fiscal year; and, further provided,  
2 that the amounts payable into the Build Illinois Fund under  
3 this clause (b) shall be payable only until such time as the  
4 aggregate amount on deposit under each trust indenture securing  
5 Bonds issued and outstanding pursuant to the Build Illinois  
6 Bond Act is sufficient, taking into account any future  
7 investment income, to fully provide, in accordance with such  
8 indenture, for the defeasance of or the payment of the  
9 principal of, premium, if any, and interest on the Bonds  
10 secured by such indenture and on any Bonds expected to be  
11 issued thereafter and all fees and costs payable with respect  
12 thereto, all as certified by the Director of the Bureau of the  
13 Budget (now Governor's Office of Management and Budget). If on  
14 the last business day of any month in which Bonds are  
15 outstanding pursuant to the Build Illinois Bond Act, the  
16 aggregate of the moneys deposited in the Build Illinois Bond  
17 Account in the Build Illinois Fund in such month shall be less  
18 than the amount required to be transferred in such month from  
19 the Build Illinois Bond Account to the Build Illinois Bond  
20 Retirement and Interest Fund pursuant to Section 13 of the  
21 Build Illinois Bond Act, an amount equal to such deficiency  
22 shall be immediately paid from other moneys received by the  
23 Department pursuant to the Tax Acts to the Build Illinois Fund;  
24 provided, however, that any amounts paid to the Build Illinois  
25 Fund in any fiscal year pursuant to this sentence shall be  
26 deemed to constitute payments pursuant to clause (b) of the

preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

		Total
Fiscal Year		Deposit
1993		\$0
1994		53,000,000
1995		58,000,000
1996		61,000,000
1997		64,000,000
1998		68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

17 Beginning July 20, 1993 and in each month of each fiscal  
18 year thereafter, one-eighth of the amount requested in the  
19 certificate of the Chairman of the Metropolitan Pier and  
20 Exposition Authority for that fiscal year, less the amount  
21 deposited into the McCormick Place Expansion Project Fund by  
22 the State Treasurer in the respective month under subsection  
23 (g) of Section 13 of the Metropolitan Pier and Exposition  
24 Authority Act, plus cumulative deficiencies in the deposits  
25 required under this Section for previous months and years,  
26 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year, but  
2 not in excess of the amount specified above as "Total Deposit",  
3 has been deposited.

4 Subject to payment of amounts into the Build Illinois Fund  
5 and the McCormick Place Expansion Project Fund pursuant to the  
6 preceding paragraphs or in any amendments thereto hereafter  
7 enacted, beginning July 1, 1993 and ending on September 30,  
8 2013, the Department shall each month pay into the Illinois Tax  
9 Increment Fund 0.27% of 80% of the net revenue realized for the  
10 preceding month from the 6.25% general rate on the selling  
11 price of tangible personal property.

12 Subject to payment of amounts into the Build Illinois Fund  
13 and the McCormick Place Expansion Project Fund pursuant to the  
14 preceding paragraphs or in any amendments thereto hereafter  
15 enacted, beginning with the receipt of the first report of  
16 taxes paid by an eligible business and continuing for a 25-year  
17 period, the Department shall each month pay into the Energy  
18 Infrastructure Fund 80% of the net revenue realized from the  
19 6.25% general rate on the selling price of Illinois-mined coal  
20 that was sold to an eligible business. For purposes of this  
21 paragraph, the term "eligible business" means a new electric  
22 generating facility certified pursuant to Section 605-332 of  
23 the Department of Commerce and Economic Opportunity Law of the  
24 Civil Administrative Code of Illinois.

25 Subject to payment of amounts into the Build Illinois Fund,  
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to  
2 the preceding paragraphs or in any amendments to this Section  
3 hereafter enacted, beginning on the first day of the first  
4 calendar month to occur on or after August 26, 2014 (the  
5 effective date of Public Act 98-1098), each month, from the  
6 collections made under Section 9 of the Use Tax Act, Section 9  
7 of the Service Use Tax Act, Section 9 of the Service Occupation  
8 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
9 the Department shall pay into the Tax Compliance and  
10 Administration Fund, to be used, subject to appropriation, to  
11 fund additional auditors and compliance personnel at the  
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
13 the cash receipts collected during the preceding fiscal year by  
14 the Audit Bureau of the Department under the Use Tax Act, the  
15 Service Use Tax Act, the Service Occupation Tax Act, the  
16 Retailers' Occupation Tax Act, and associated local occupation  
17 and use taxes administered by the Department.

18 Subject to payments of amounts into the Build Illinois  
19 Fund, the McCormick Place Expansion Project Fund, the Illinois  
20 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
21 Compliance and Administration Fund as provided in this Section,  
22 beginning on July 1, 2018 the Department shall pay each month  
23 into the Downstate Public Transportation Fund the moneys  
24 required to be so paid under Section 2-3 of the Downstate  
25 Public Transportation Act.

26 Of the remainder of the moneys received by the Department



1 pursuant to this Act, 75% shall be paid into the General  
2 Revenue Fund of the State Treasury and 25% shall be reserved in  
3 a special account and used only for the transfer to the Common  
4 School Fund as part of the monthly transfer from the General  
5 Revenue Fund in accordance with Section 8a of the State Finance  
6 Act.

7 The Department may, upon separate written notice to a  
8 taxpayer, require the taxpayer to prepare and file with the  
9 Department on a form prescribed by the Department within not  
10 less than 60 days after receipt of the notice an annual  
11 information return for the tax year specified in the notice.  
12 Such annual return to the Department shall include a statement  
13 of gross receipts as shown by the taxpayer's last Federal  
14 income tax return. If the total receipts of the business as  
15 reported in the Federal income tax return do not agree with the  
16 gross receipts reported to the Department of Revenue for the  
17 same period, the taxpayer shall attach to his annual return a  
18 schedule showing a reconciliation of the 2 amounts and the  
19 reasons for the difference. The taxpayer's annual return to the  
20 Department shall also disclose the cost of goods sold by the  
21 taxpayer during the year covered by such return, opening and  
22 closing inventories of such goods for such year, cost of goods  
23 used from stock or taken from stock and given away by the  
24 taxpayer during such year, pay roll information of the  
25 taxpayer's business during such year and any additional  
26 reasonable information which the Department deems would be

1 helpful in determining the accuracy of the monthly, quarterly  
2 or annual returns filed by such taxpayer as hereinbefore  
3 provided for in this Section.

4 If the annual information return required by this Section  
5 is not filed when and as required, the taxpayer shall be liable  
6 as follows:

7 (i) Until January 1, 1994, the taxpayer shall be liable  
8 for a penalty equal to  $\frac{1}{6}$  of 1% of the tax due from such  
9 taxpayer under this Act during the period to be covered by  
10 the annual return for each month or fraction of a month  
11 until such return is filed as required, the penalty to be  
12 assessed and collected in the same manner as any other  
13 penalty provided for in this Act.

14 (ii) On and after January 1, 1994, the taxpayer shall  
15 be liable for a penalty as described in Section 3-4 of the  
16 Uniform Penalty and Interest Act.

17 The chief executive officer, proprietor, owner or highest  
18 ranking manager shall sign the annual return to certify the  
19 accuracy of the information contained therein. Any person who  
20 willfully signs the annual return containing false or  
21 inaccurate information shall be guilty of perjury and punished  
22 accordingly. The annual return form prescribed by the  
23 Department shall include a warning that the person signing the  
24 return may be liable for perjury.

25 The foregoing portion of this Section concerning the filing  
26 of an annual information return shall not apply to a serviceman

1 who is not required to file an income tax return with the  
2 United States Government.

3 As soon as possible after the first day of each month, upon  
4 certification of the Department of Revenue, the Comptroller  
5 shall order transferred and the Treasurer shall transfer from  
6 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
7 equal to 1.7% of 80% of the net revenue realized under this Act  
8 for the second preceding month. Beginning April 1, 2000, this  
9 transfer is no longer required and shall not be made.

10 Net revenue realized for a month shall be the revenue  
11 collected by the State pursuant to this Act, less the amount  
12 paid out during that month as refunds to taxpayers for  
13 overpayment of liability.

14 For greater simplicity of administration, it shall be  
15 permissible for manufacturers, importers and wholesalers whose  
16 products are sold by numerous servicemen in Illinois, and who  
17 wish to do so, to assume the responsibility for accounting and  
18 paying to the Department all tax accruing under this Act with  
19 respect to such sales, if the servicemen who are affected do  
20 not make written objection to the Department to this  
21 arrangement.

22 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
23 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.  
24 8-14-18; 100-1171, eff. 1-4-19.)

25 Section 900-19. The Retailers' Occupation Tax Act is

1 amended by changing Section 3 as follows:

2 (35 ILCS 120/3) (from Ch. 120, par. 442)

3 Sec. 3. Except as provided in this Section, on or before  
4 the twentieth day of each calendar month, every person engaged  
5 in the business of selling tangible personal property at retail  
6 in this State during the preceding calendar month shall file a  
7 return with the Department, stating:

8 1. The name of the seller;

9 2. His residence address and the address of his  
10 principal place of business and the address of the  
11 principal place of business (if that is a different  
12 address) from which he engages in the business of selling  
13 tangible personal property at retail in this State;

14 3. Total amount of receipts received by him during the  
15 preceding calendar month or quarter, as the case may be,  
16 from sales of tangible personal property, and from services  
17 furnished, by him during such preceding calendar month or  
18 quarter;

19 4. Total amount received by him during the preceding  
20 calendar month or quarter on charge and time sales of  
21 tangible personal property, and from services furnished,  
22 by him prior to the month or quarter for which the return  
23 is filed;

24 5. Deductions allowed by law;

25 6. Gross receipts which were received by him during the

1 preceding calendar month or quarter and upon the basis of  
2 which the tax is imposed;

3 7. The amount of credit provided in Section 2d of this  
4 Act;

5 8. The amount of tax due;

6 9. The signature of the taxpayer; and

7 10. Such other reasonable information as the  
8 Department may require.

9 On and after January 1, 2018, except for returns for motor  
10 vehicles, watercraft, aircraft, and trailers that are required  
11 to be registered with an agency of this State, with respect to  
12 retailers whose annual gross receipts average \$20,000 or more,  
13 all returns required to be filed pursuant to this Act shall be  
14 filed electronically. Retailers who demonstrate that they do  
15 not have access to the Internet or demonstrate hardship in  
16 filing electronically may petition the Department to waive the  
17 electronic filing requirement.

18 If a taxpayer fails to sign a return within 30 days after  
19 the proper notice and demand for signature by the Department,  
20 the return shall be considered valid and any amount shown to be  
21 due on the return shall be deemed assessed.

22 Each return shall be accompanied by the statement of  
23 prepaid tax issued pursuant to Section 2e for which credit is  
24 claimed.

25 Prior to October 1, 2003, and on and after September 1,  
26 2004 a retailer may accept a Manufacturer's Purchase Credit

1 certification from a purchaser in satisfaction of Use Tax as  
2 provided in Section 3-85 of the Use Tax Act if the purchaser  
3 provides the appropriate documentation as required by Section  
4 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
5 certification, accepted by a retailer prior to October 1, 2003  
6 and on and after September 1, 2004 as provided in Section 3-85  
7 of the Use Tax Act, may be used by that retailer to satisfy  
8 Retailers' Occupation Tax liability in the amount claimed in  
9 the certification, not to exceed 6.25% of the receipts subject  
10 to tax from a qualifying purchase. A Manufacturer's Purchase  
11 Credit reported on any original or amended return filed under  
12 this Act after October 20, 2003 for reporting periods prior to  
13 September 1, 2004 shall be disallowed. Manufacturer's  
14 Purchaser Credit reported on annual returns due on or after  
15 January 1, 2005 will be disallowed for periods prior to  
16 September 1, 2004. No Manufacturer's Purchase Credit may be  
17 used after September 30, 2003 through August 31, 2004 to  
18 satisfy any tax liability imposed under this Act, including any  
19 audit liability.

20 The Department may require returns to be filed on a  
21 quarterly basis. If so required, a return for each calendar  
22 quarter shall be filed on or before the twentieth day of the  
23 calendar month following the end of such calendar quarter. The  
24 taxpayer shall also file a return with the Department for each  
25 of the first two months of each calendar quarter, on or before  
26 the twentieth day of the following calendar month, stating:

1           1. The name of the seller;

2           2. The address of the principal place of business from  
3           which he engages in the business of selling tangible  
4           personal property at retail in this State;

5           3. The total amount of taxable receipts received by him  
6           during the preceding calendar month from sales of tangible  
7           personal property by him during such preceding calendar  
8           month, including receipts from charge and time sales, but  
9           less all deductions allowed by law;

10          4. The amount of credit provided in Section 2d of this  
11          Act;

12          5. The amount of tax due; and

13          6. Such other reasonable information as the Department  
14          may require.

15          Beginning on October 1, 2003, any person who is not a  
16          licensed distributor, importing distributor, or manufacturer,  
17          as defined in the Liquor Control Act of 1934, but is engaged in  
18          the business of selling, at retail, alcoholic liquor shall file  
19          a statement with the Department of Revenue, in a format and at  
20          a time prescribed by the Department, showing the total amount  
21          paid for alcoholic liquor purchased during the preceding month  
22          and such other information as is reasonably required by the  
23          Department. The Department may adopt rules to require that this  
24          statement be filed in an electronic or telephonic format. Such  
25          rules may provide for exceptions from the filing requirements  
26          of this paragraph. For the purposes of this paragraph, the term

1 "alcoholic liquor" shall have the meaning prescribed in the  
2 Liquor Control Act of 1934.

3 Beginning on October 1, 2003, every distributor, importing  
4 distributor, and manufacturer of alcoholic liquor as defined in  
5 the Liquor Control Act of 1934, shall file a statement with the  
6 Department of Revenue, no later than the 10th day of the month  
7 for the preceding month during which transactions occurred, by  
8 electronic means, showing the total amount of gross receipts  
9 from the sale of alcoholic liquor sold or distributed during  
10 the preceding month to purchasers; identifying the purchaser to  
11 whom it was sold or distributed; the purchaser's tax  
12 registration number; and such other information reasonably  
13 required by the Department. A distributor, importing  
14 distributor, or manufacturer of alcoholic liquor must  
15 personally deliver, mail, or provide by electronic means to  
16 each retailer listed on the monthly statement a report  
17 containing a cumulative total of that distributor's, importing  
18 distributor's, or manufacturer's total sales of alcoholic  
19 liquor to that retailer no later than the 10th day of the month  
20 for the preceding month during which the transaction occurred.  
21 The distributor, importing distributor, or manufacturer shall  
22 notify the retailer as to the method by which the distributor,  
23 importing distributor, or manufacturer will provide the sales  
24 information. If the retailer is unable to receive the sales  
25 information by electronic means, the distributor, importing  
26 distributor, or manufacturer shall furnish the sales



1 information by personal delivery or by mail. For purposes of  
2 this paragraph, the term "electronic means" includes, but is  
3 not limited to, the use of a secure Internet website, e-mail,  
4 or facsimile.

5 If a total amount of less than \$1 is payable, refundable or  
6 creditable, such amount shall be disregarded if it is less than  
7 50 cents and shall be increased to \$1 if it is 50 cents or more.

8 Notwithstanding any other provision of this Act to the  
9 contrary, retailers subject to tax on cannabis shall file all  
10 cannabis tax returns and shall make all cannabis tax payments  
11 by electronic means in the manner and form required by the  
12 Department.

13 Beginning October 1, 1993, a taxpayer who has an average  
14 monthly tax liability of \$150,000 or more shall make all  
15 payments required by rules of the Department by electronic  
16 funds transfer. Beginning October 1, 1994, a taxpayer who has  
17 an average monthly tax liability of \$100,000 or more shall make  
18 all payments required by rules of the Department by electronic  
19 funds transfer. Beginning October 1, 1995, a taxpayer who has  
20 an average monthly tax liability of \$50,000 or more shall make  
21 all payments required by rules of the Department by electronic  
22 funds transfer. Beginning October 1, 2000, a taxpayer who has  
23 an annual tax liability of \$200,000 or more shall make all  
24 payments required by rules of the Department by electronic  
25 funds transfer. The term "annual tax liability" shall be the  
26 sum of the taxpayer's liabilities under this Act, and under all

1 other State and local occupation and use tax laws administered  
2 by the Department, for the immediately preceding calendar year.  
3 The term "average monthly tax liability" shall be the sum of  
4 the taxpayer's liabilities under this Act, and under all other  
5 State and local occupation and use tax laws administered by the  
6 Department, for the immediately preceding calendar year  
7 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
8 a tax liability in the amount set forth in subsection (b) of  
9 Section 2505-210 of the Department of Revenue Law shall make  
10 all payments required by rules of the Department by electronic  
11 funds transfer.

12 Before August 1 of each year beginning in 1993, the  
13 Department shall notify all taxpayers required to make payments  
14 by electronic funds transfer. All taxpayers required to make  
15 payments by electronic funds transfer shall make those payments  
16 for a minimum of one year beginning on October 1.

17 Any taxpayer not required to make payments by electronic  
18 funds transfer may make payments by electronic funds transfer  
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds  
21 transfer and any taxpayers authorized to voluntarily make  
22 payments by electronic funds transfer shall make those payments  
23 in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to  
25 effectuate a program of electronic funds transfer and the  
26 requirements of this Section.

1 Any amount which is required to be shown or reported on any  
2 return or other document under this Act shall, if such amount  
3 is not a whole-dollar amount, be increased to the nearest  
4 whole-dollar amount in any case where the fractional part of a  
5 dollar is 50 cents or more, and decreased to the nearest  
6 whole-dollar amount where the fractional part of a dollar is  
7 less than 50 cents.

8 If the retailer is otherwise required to file a monthly  
9 return and if the retailer's average monthly tax liability to  
10 the Department does not exceed \$200, the Department may  
11 authorize his returns to be filed on a quarter annual basis,  
12 with the return for January, February and March of a given year  
13 being due by April 20 of such year; with the return for April,  
14 May and June of a given year being due by July 20 of such year;  
15 with the return for July, August and September of a given year  
16 being due by October 20 of such year, and with the return for  
17 October, November and December of a given year being due by  
18 January 20 of the following year.

19 If the retailer is otherwise required to file a monthly or  
20 quarterly return and if the retailer's average monthly tax  
21 liability with the Department does not exceed \$50, the  
22 Department may authorize his returns to be filed on an annual  
23 basis, with the return for a given year being due by January 20  
24 of the following year.

25 Such quarter annual and annual returns, as to form and  
26 substance, shall be subject to the same requirements as monthly

1 returns.

2 Notwithstanding any other provision in this Act concerning  
3 the time within which a retailer may file his return, in the  
4 case of any retailer who ceases to engage in a kind of business  
5 which makes him responsible for filing returns under this Act,  
6 such retailer shall file a final return under this Act with the  
7 Department not more than one month after discontinuing such  
8 business.

9 Where the same person has more than one business registered  
10 with the Department under separate registrations under this  
11 Act, such person may not file each return that is due as a  
12 single return covering all such registered businesses, but  
13 shall file separate returns for each such registered business.

14 In addition, with respect to motor vehicles, watercraft,  
15 aircraft, and trailers that are required to be registered with  
16 an agency of this State, except as otherwise provided in this  
17 Section, every retailer selling this kind of tangible personal  
18 property shall file, with the Department, upon a form to be  
19 prescribed and supplied by the Department, a separate return  
20 for each such item of tangible personal property which the  
21 retailer sells, except that if, in the same transaction, (i) a  
22 retailer of aircraft, watercraft, motor vehicles or trailers  
23 transfers more than one aircraft, watercraft, motor vehicle or  
24 trailer to another aircraft, watercraft, motor vehicle  
25 retailer or trailer retailer for the purpose of resale or (ii)  
26 a retailer of aircraft, watercraft, motor vehicles, or trailers

1 transfers more than one aircraft, watercraft, motor vehicle, or  
2 trailer to a purchaser for use as a qualifying rolling stock as  
3 provided in Section 2-5 of this Act, then that seller may  
4 report the transfer of all aircraft, watercraft, motor vehicles  
5 or trailers involved in that transaction to the Department on  
6 the same uniform invoice-transaction reporting return form.  
7 For purposes of this Section, "watercraft" means a Class 2,  
8 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
9 Boat Registration and Safety Act, a personal watercraft, or any  
10 boat equipped with an inboard motor.

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, every person who is engaged in the  
14 business of leasing or renting such items and who, in  
15 connection with such business, sells any such item to a  
16 retailer for the purpose of resale is, notwithstanding any  
17 other provision of this Section to the contrary, authorized to  
18 meet the return-filing requirement of this Act by reporting the  
19 transfer of all the aircraft, watercraft, motor vehicles, or  
20 trailers transferred for resale during a month to the  
21 Department on the same uniform invoice-transaction reporting  
22 return form on or before the 20th of the month following the  
23 month in which the transfer takes place. Notwithstanding any  
24 other provision of this Act to the contrary, all returns filed  
25 under this paragraph must be filed by electronic means in the  
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,  
2 aircraft, or trailers that are required to be registered with  
3 an agency of this State, so that all retailers' occupation tax  
4 liability is required to be reported, and is reported, on such  
5 transaction reporting returns and who is not otherwise required  
6 to file monthly or quarterly returns, need not file monthly or  
7 quarterly returns. However, those retailers shall be required  
8 to file returns on an annual basis.

9 The transaction reporting return, in the case of motor  
10 vehicles or trailers that are required to be registered with an  
11 agency of this State, shall be the same document as the Uniform  
12 Invoice referred to in Section 5-402 of the Illinois Vehicle  
13 Code and must show the name and address of the seller; the name  
14 and address of the purchaser; the amount of the selling price  
15 including the amount allowed by the retailer for traded-in  
16 property, if any; the amount allowed by the retailer for the  
17 traded-in tangible personal property, if any, to the extent to  
18 which Section 1 of this Act allows an exemption for the value  
19 of traded-in property; the balance payable after deducting such  
20 trade-in allowance from the total selling price; the amount of  
21 tax due from the retailer with respect to such transaction; the  
22 amount of tax collected from the purchaser by the retailer on  
23 such transaction (or satisfactory evidence that such tax is not  
24 due in that particular instance, if that is claimed to be the  
25 fact); the place and date of the sale; a sufficient  
26 identification of the property sold; such other information as

1 is required in Section 5-402 of the Illinois Vehicle Code, and  
2 such other information as the Department may reasonably  
3 require.

4 The transaction reporting return in the case of watercraft  
5 or aircraft must show the name and address of the seller; the  
6 name and address of the purchaser; the amount of the selling  
7 price including the amount allowed by the retailer for  
8 traded-in property, if any; the amount allowed by the retailer  
9 for the traded-in tangible personal property, if any, to the  
10 extent to which Section 1 of this Act allows an exemption for  
11 the value of traded-in property; the balance payable after  
12 deducting such trade-in allowance from the total selling price;  
13 the amount of tax due from the retailer with respect to such  
14 transaction; the amount of tax collected from the purchaser by  
15 the retailer on such transaction (or satisfactory evidence that  
16 such tax is not due in that particular instance, if that is  
17 claimed to be the fact); the place and date of the sale, a  
18 sufficient identification of the property sold, and such other  
19 information as the Department may reasonably require.

20 Such transaction reporting return shall be filed not later  
21 than 20 days after the day of delivery of the item that is  
22 being sold, but may be filed by the retailer at any time sooner  
23 than that if he chooses to do so. The transaction reporting  
24 return and tax remittance or proof of exemption from the  
25 Illinois use tax may be transmitted to the Department by way of  
26 the State agency with which, or State officer with whom the

1 tangible personal property must be titled or registered (if  
2 titling or registration is required) if the Department and such  
3 agency or State officer determine that this procedure will  
4 expedite the processing of applications for title or  
5 registration.

6 With each such transaction reporting return, the retailer  
7 shall remit the proper amount of tax due (or shall submit  
8 satisfactory evidence that the sale is not taxable if that is  
9 the case), to the Department or its agents, whereupon the  
10 Department shall issue, in the purchaser's name, a use tax  
11 receipt (or a certificate of exemption if the Department is  
12 satisfied that the particular sale is tax exempt) which such  
13 purchaser may submit to the agency with which, or State officer  
14 with whom, he must title or register the tangible personal  
15 property that is involved (if titling or registration is  
16 required) in support of such purchaser's application for an  
17 Illinois certificate or other evidence of title or registration  
18 to such tangible personal property.

19 No retailer's failure or refusal to remit tax under this  
20 Act precludes a user, who has paid the proper tax to the  
21 retailer, from obtaining his certificate of title or other  
22 evidence of title or registration (if titling or registration  
23 is required) upon satisfying the Department that such user has  
24 paid the proper tax (if tax is due) to the retailer. The  
25 Department shall adopt appropriate rules to carry out the  
26 mandate of this paragraph.



1       If the user who would otherwise pay tax to the retailer  
2       wants the transaction reporting return filed and the payment of  
3       the tax or proof of exemption made to the Department before the  
4       retailer is willing to take these actions and such user has not  
5       paid the tax to the retailer, such user may certify to the fact  
6       of such delay by the retailer and may (upon the Department  
7       being satisfied of the truth of such certification) transmit  
8       the information required by the transaction reporting return  
9       and the remittance for tax or proof of exemption directly to  
10      the Department and obtain his tax receipt or exemption  
11      determination, in which event the transaction reporting return  
12      and tax remittance (if a tax payment was required) shall be  
13      credited by the Department to the proper retailer's account  
14      with the Department, but without the 2.1% or 1.75% discount  
15      provided for in this Section being allowed. When the user pays  
16      the tax directly to the Department, he shall pay the tax in the  
17      same amount and in the same form in which it would be remitted  
18      if the tax had been remitted to the Department by the retailer.

19      Refunds made by the seller during the preceding return  
20      period to purchasers, on account of tangible personal property  
21      returned to the seller, shall be allowed as a deduction under  
22      subdivision 5 of his monthly or quarterly return, as the case  
23      may be, in case the seller had theretofore included the  
24      receipts from the sale of such tangible personal property in a  
25      return filed by him and had paid the tax imposed by this Act  
26      with respect to such receipts.

1       Where the seller is a corporation, the return filed on  
2       behalf of such corporation shall be signed by the president,  
3       vice-president, secretary or treasurer or by the properly  
4       accredited agent of such corporation.

5       Where the seller is a limited liability company, the return  
6       filed on behalf of the limited liability company shall be  
7       signed by a manager, member, or properly accredited agent of  
8       the limited liability company.

9       Except as provided in this Section, the retailer filing the  
10      return under this Section shall, at the time of filing such  
11      return, pay to the Department the amount of tax imposed by this  
12      Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
13      on and after January 1, 1990, or \$5 per calendar year,  
14      whichever is greater, which is allowed to reimburse the  
15      retailer for the expenses incurred in keeping records,  
16      preparing and filing returns, remitting the tax and supplying  
17      data to the Department on request. Any prepayment made pursuant  
18      to Section 2d of this Act shall be included in the amount on  
19      which such 2.1% or 1.75% discount is computed. In the case of  
20      retailers who report and pay the tax on a transaction by  
21      transaction basis, as provided in this Section, such discount  
22      shall be taken with each such tax remittance instead of when  
23      such retailer files his periodic return. The discount allowed  
24      under this Section is allowed only for returns that are filed  
25      in the manner required by this Act. The Department may disallow  
26      the discount for retailers whose certificate of registration is

1     revoked at the time the return is filed, but only if the  
2     Department's decision to revoke the certificate of  
3     registration has become final.

4         Before October 1, 2000, if the taxpayer's average monthly  
5     tax liability to the Department under this Act, the Use Tax  
6     Act, the Service Occupation Tax Act, and the Service Use Tax  
7     Act, excluding any liability for prepaid sales tax to be  
8     remitted in accordance with Section 2d of this Act, was \$10,000  
9     or more during the preceding 4 complete calendar quarters, he  
10    shall file a return with the Department each month by the 20th  
11    day of the month next following the month during which such tax  
12    liability is incurred and shall make payments to the Department  
13    on or before the 7th, 15th, 22nd and last day of the month  
14    during which such liability is incurred. On and after October  
15    1, 2000, if the taxpayer's average monthly tax liability to the  
16    Department under this Act, the Use Tax Act, the Service  
17    Occupation Tax Act, and the Service Use Tax Act, excluding any  
18    liability for prepaid sales tax to be remitted in accordance  
19    with Section 2d of this Act, was \$20,000 or more during the  
20    preceding 4 complete calendar quarters, he shall file a return  
21    with the Department each month by the 20th day of the month  
22    next following the month during which such tax liability is  
23    incurred and shall make payment to the Department on or before  
24    the 7th, 15th, 22nd and last day of the month during which such  
25    liability is incurred. If the month during which such tax  
26    liability is incurred began prior to January 1, 1985, each

1 payment shall be in an amount equal to 1/4 of the taxpayer's  
2 actual liability for the month or an amount set by the  
3 Department not to exceed 1/4 of the average monthly liability  
4 of the taxpayer to the Department for the preceding 4 complete  
5 calendar quarters (excluding the month of highest liability and  
6 the month of lowest liability in such 4 quarter period). If the  
7 month during which such tax liability is incurred begins on or  
8 after January 1, 1985 and prior to January 1, 1987, each  
9 payment shall be in an amount equal to 22.5% of the taxpayer's  
10 actual liability for the month or 27.5% of the taxpayer's  
11 liability for the same calendar month of the preceding year. If  
12 the month during which such tax liability is incurred begins on  
13 or after January 1, 1987 and prior to January 1, 1988, each  
14 payment shall be in an amount equal to 22.5% of the taxpayer's  
15 actual liability for the month or 26.25% of the taxpayer's  
16 liability for the same calendar month of the preceding year. If  
17 the month during which such tax liability is incurred begins on  
18 or after January 1, 1988, and prior to January 1, 1989, or  
19 begins on or after January 1, 1996, each payment shall be in an  
20 amount equal to 22.5% of the taxpayer's actual liability for  
21 the month or 25% of the taxpayer's liability for the same  
22 calendar month of the preceding year. If the month during which  
23 such tax liability is incurred begins on or after January 1,  
24 1989, and prior to January 1, 1996, each payment shall be in an  
25 amount equal to 22.5% of the taxpayer's actual liability for  
26 the month or 25% of the taxpayer's liability for the same

1 calendar month of the preceding year or 100% of the taxpayer's  
2 actual liability for the quarter monthly reporting period. The  
3 amount of such quarter monthly payments shall be credited  
4 against the final tax liability of the taxpayer's return for  
5 that month. Before October 1, 2000, once applicable, the  
6 requirement of the making of quarter monthly payments to the  
7 Department by taxpayers having an average monthly tax liability  
8 of \$10,000 or more as determined in the manner provided above  
9 shall continue until such taxpayer's average monthly liability  
10 to the Department during the preceding 4 complete calendar  
11 quarters (excluding the month of highest liability and the  
12 month of lowest liability) is less than \$9,000, or until such  
13 taxpayer's average monthly liability to the Department as  
14 computed for each calendar quarter of the 4 preceding complete  
15 calendar quarter period is less than \$10,000. However, if a  
16 taxpayer can show the Department that a substantial change in  
17 the taxpayer's business has occurred which causes the taxpayer  
18 to anticipate that his average monthly tax liability for the  
19 reasonably foreseeable future will fall below the \$10,000  
20 threshold stated above, then such taxpayer may petition the  
21 Department for a change in such taxpayer's reporting status. On  
22 and after October 1, 2000, once applicable, the requirement of  
23 the making of quarter monthly payments to the Department by  
24 taxpayers having an average monthly tax liability of \$20,000 or  
25 more as determined in the manner provided above shall continue  
26 until such taxpayer's average monthly liability to the

1 Department during the preceding 4 complete calendar quarters  
2 (excluding the month of highest liability and the month of  
3 lowest liability) is less than \$19,000 or until such taxpayer's  
4 average monthly liability to the Department as computed for  
5 each calendar quarter of the 4 preceding complete calendar  
6 quarter period is less than \$20,000. However, if a taxpayer can  
7 show the Department that a substantial change in the taxpayer's  
8 business has occurred which causes the taxpayer to anticipate  
9 that his average monthly tax liability for the reasonably  
10 foreseeable future will fall below the \$20,000 threshold stated  
11 above, then such taxpayer may petition the Department for a  
12 change in such taxpayer's reporting status. The Department  
13 shall change such taxpayer's reporting status unless it finds  
14 that such change is seasonal in nature and not likely to be  
15 long term. If any such quarter monthly payment is not paid at  
16 the time or in the amount required by this Section, then the  
17 taxpayer shall be liable for penalties and interest on the  
18 difference between the minimum amount due as a payment and the  
19 amount of such quarter monthly payment actually and timely  
20 paid, except insofar as the taxpayer has previously made  
21 payments for that month to the Department in excess of the  
22 minimum payments previously due as provided in this Section.  
23 The Department shall make reasonable rules and regulations to  
24 govern the quarter monthly payment amount and quarter monthly  
25 payment dates for taxpayers who file on other than a calendar  
26 monthly basis.

1       The provisions of this paragraph apply before October 1,  
2       2001. Without regard to whether a taxpayer is required to make  
3       quarter monthly payments as specified above, any taxpayer who  
4       is required by Section 2d of this Act to collect and remit  
5       prepaid taxes and has collected prepaid taxes which average in  
6       excess of \$25,000 per month during the preceding 2 complete  
7       calendar quarters, shall file a return with the Department as  
8       required by Section 2f and shall make payments to the  
9       Department on or before the 7th, 15th, 22nd and last day of the  
10      month during which such liability is incurred. If the month  
11      during which such tax liability is incurred began prior to  
12      September 1, 1985 (the effective date of Public Act 84-221),  
13      each payment shall be in an amount not less than 22.5% of the  
14      taxpayer's actual liability under Section 2d. If the month  
15      during which such tax liability is incurred begins on or after  
16      January 1, 1986, each payment shall be in an amount equal to  
17      22.5% of the taxpayer's actual liability for the month or 27.5%  
18      of the taxpayer's liability for the same calendar month of the  
19      preceding calendar year. If the month during which such tax  
20      liability is incurred begins on or after January 1, 1987, each  
21      payment shall be in an amount equal to 22.5% of the taxpayer's  
22      actual liability for the month or 26.25% of the taxpayer's  
23      liability for the same calendar month of the preceding year.  
24      The amount of such quarter monthly payments shall be credited  
25      against the final tax liability of the taxpayer's return for  
26      that month filed under this Section or Section 2f, as the case

1 may be. Once applicable, the requirement of the making of  
2 quarter monthly payments to the Department pursuant to this  
3 paragraph shall continue until such taxpayer's average monthly  
4 prepaid tax collections during the preceding 2 complete  
5 calendar quarters is \$25,000 or less. If any such quarter  
6 monthly payment is not paid at the time or in the amount  
7 required, the taxpayer shall be liable for penalties and  
8 interest on such difference, except insofar as the taxpayer has  
9 previously made payments for that month in excess of the  
10 minimum payments previously due.

11 The provisions of this paragraph apply on and after October  
12 1, 2001. Without regard to whether a taxpayer is required to  
13 make quarter monthly payments as specified above, any taxpayer  
14 who is required by Section 2d of this Act to collect and remit  
15 prepaid taxes and has collected prepaid taxes that average in  
16 excess of \$20,000 per month during the preceding 4 complete  
17 calendar quarters shall file a return with the Department as  
18 required by Section 2f and shall make payments to the  
19 Department on or before the 7th, 15th, 22nd and last day of the  
20 month during which the liability is incurred. Each payment  
21 shall be in an amount equal to 22.5% of the taxpayer's actual  
22 liability for the month or 25% of the taxpayer's liability for  
23 the same calendar month of the preceding year. The amount of  
24 the quarter monthly payments shall be credited against the  
25 final tax liability of the taxpayer's return for that month  
26 filed under this Section or Section 2f, as the case may be.



1 Once applicable, the requirement of the making of quarter  
2 monthly payments to the Department pursuant to this paragraph  
3 shall continue until the taxpayer's average monthly prepaid tax  
4 collections during the preceding 4 complete calendar quarters  
5 (excluding the month of highest liability and the month of  
6 lowest liability) is less than \$19,000 or until such taxpayer's  
7 average monthly liability to the Department as computed for  
8 each calendar quarter of the 4 preceding complete calendar  
9 quarters is less than \$20,000. If any such quarter monthly  
10 payment is not paid at the time or in the amount required, the  
11 taxpayer shall be liable for penalties and interest on such  
12 difference, except insofar as the taxpayer has previously made  
13 payments for that month in excess of the minimum payments  
14 previously due.

15 If any payment provided for in this Section exceeds the  
16 taxpayer's liabilities under this Act, the Use Tax Act, the  
17 Service Occupation Tax Act and the Service Use Tax Act, as  
18 shown on an original monthly return, the Department shall, if  
19 requested by the taxpayer, issue to the taxpayer a credit  
20 memorandum no later than 30 days after the date of payment. The  
21 credit evidenced by such credit memorandum may be assigned by  
22 the taxpayer to a similar taxpayer under this Act, the Use Tax  
23 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
24 in accordance with reasonable rules and regulations to be  
25 prescribed by the Department. If no such request is made, the  
26 taxpayer may credit such excess payment against tax liability

1 subsequently to be remitted to the Department under this Act,  
2 the Use Tax Act, the Service Occupation Tax Act or the Service  
3 Use Tax Act, in accordance with reasonable rules and  
4 regulations prescribed by the Department. If the Department  
5 subsequently determined that all or any part of the credit  
6 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
7 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
8 of the difference between the credit taken and that actually  
9 due, and that taxpayer shall be liable for penalties and  
10 interest on such difference.

11 If a retailer of motor fuel is entitled to a credit under  
12 Section 2d of this Act which exceeds the taxpayer's liability  
13 to the Department under this Act for the month which the  
14 taxpayer is filing a return, the Department shall issue the  
15 taxpayer a credit memorandum for the excess.

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the Local Government Tax Fund, a special fund in the  
18 State treasury which is hereby created, the net revenue  
19 realized for the preceding month from the 1% tax imposed under  
20 this Act.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the County and Mass Transit District Fund, a special  
23 fund in the State treasury which is hereby created, 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the County and Mass Transit District Fund 20% of the  
2 net revenue realized for the preceding month from the 1.25%  
3 rate on the selling price of motor fuel and gasohol. Beginning  
4 September 1, 2010, each month the Department shall pay into the  
5 County and Mass Transit District Fund 20% of the net revenue  
6 realized for the preceding month from the 1.25% rate on the  
7 selling price of sales tax holiday items.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the Local Government Tax Fund 16% of the net revenue  
10 realized for the preceding month from the 6.25% general rate on  
11 the selling price of tangible personal property.

12 Beginning August 1, 2000, each month the Department shall  
13 pay into the Local Government Tax Fund 80% of the net revenue  
14 realized for the preceding month from the 1.25% rate on the  
15 selling price of motor fuel and gasohol. Beginning September 1,  
16 2010, each month the Department shall pay into the Local  
17 Government Tax Fund 80% of the net revenue realized for the  
18 preceding month from the 1.25% rate on the selling price of  
19 sales tax holiday items.

20 Beginning October 1, 2009, each month the Department shall  
21 pay into the Capital Projects Fund an amount that is equal to  
22 an amount estimated by the Department to represent 80% of the  
23 net revenue realized for the preceding month from the sale of  
24 candy, grooming and hygiene products, and soft drinks that had  
25 been taxed at a rate of 1% prior to September 1, 2009 but that  
26 are now taxed at 6.25%.

1           Beginning July 1, 2011, each month the Department shall pay  
2           into the Clean Air Act Permit Fund 80% of the net revenue  
3           realized for the preceding month from the 6.25% general rate on  
4           the selling price of sorbents used in Illinois in the process  
5           of sorbent injection as used to comply with the Environmental  
6           Protection Act or the federal Clean Air Act, but the total  
7           payment into the Clean Air Act Permit Fund under this Act and  
8           the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

9           Beginning July 1, 2013, each month the Department shall pay  
10          into the Underground Storage Tank Fund from the proceeds  
11          collected under this Act, the Use Tax Act, the Service Use Tax  
12          Act, and the Service Occupation Tax Act an amount equal to the  
13          average monthly deficit in the Underground Storage Tank Fund  
14          during the prior year, as certified annually by the Illinois  
15          Environmental Protection Agency, but the total payment into the  
16          Underground Storage Tank Fund under this Act, the Use Tax Act,  
17          the Service Use Tax Act, and the Service Occupation Tax Act  
18          shall not exceed \$18,000,000 in any State fiscal year. As used  
19          in this paragraph, the "average monthly deficit" shall be equal  
20          to the difference between the average monthly claims for  
21          payment by the fund and the average monthly revenues deposited  
22          into the fund, excluding payments made pursuant to this  
23          paragraph.

24          Beginning July 1, 2015, of the remainder of the moneys  
25          received by the Department under the Use Tax Act, the Service  
26          Use Tax Act, the Service Occupation Tax Act, and this Act, each

1 month the Department shall deposit \$500,000 into the State  
2 Crime Laboratory Fund.

3 Of the remainder of the moneys received by the Department  
4 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
5 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
6 and after July 1, 1989, 3.8% thereof shall be paid into the  
7 Build Illinois Fund; provided, however, that if in any fiscal  
8 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
9 may be, of the moneys received by the Department and required  
10 to be paid into the Build Illinois Fund pursuant to this Act,  
11 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax  
12 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
13 being hereinafter called the "Tax Acts" and such aggregate of  
14 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
15 called the "Tax Act Amount", and (2) the amount transferred to  
16 the Build Illinois Fund from the State and Local Sales Tax  
17 Reform Fund shall be less than the Annual Specified Amount (as  
18 hereinafter defined), an amount equal to the difference shall  
19 be immediately paid into the Build Illinois Fund from other  
20 moneys received by the Department pursuant to the Tax Acts; the  
21 "Annual Specified Amount" means the amounts specified below for  
22 fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

6 and means the Certified Annual Debt Service Requirement (as  
7 defined in Section 13 of the Build Illinois Bond Act) or the  
8 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
9 each fiscal year thereafter; and further provided, that if on  
10 the last business day of any month the sum of (1) the Tax Act  
11 Amount required to be deposited into the Build Illinois Bond  
12 Account in the Build Illinois Fund during such month and (2)  
13 the amount transferred to the Build Illinois Fund from the  
14 State and Local Sales Tax Reform Fund shall have been less than  
15 1/12 of the Annual Specified Amount, an amount equal to the  
16 difference shall be immediately paid into the Build Illinois  
17 Fund from other moneys received by the Department pursuant to  
18 the Tax Acts; and, further provided, that in no event shall the  
19 payments required under the preceding proviso result in  
20 aggregate payments into the Build Illinois Fund pursuant to  
21 this clause (b) for any fiscal year in excess of the greater of  
22 (i) the Tax Act Amount or (ii) the Annual Specified Amount for  
23 such fiscal year. The amounts payable into the Build Illinois  
24 Fund under clause (b) of the first sentence in this paragraph  
25 shall be payable only until such time as the aggregate amount  
26 on deposit under each trust indenture securing Bonds issued and

1 outstanding pursuant to the Build Illinois Bond Act is  
2 sufficient, taking into account any future investment income,  
3 to fully provide, in accordance with such indenture, for the  
4 defeasance of or the payment of the principal of, premium, if  
5 any, and interest on the Bonds secured by such indenture and on  
6 any Bonds expected to be issued thereafter and all fees and  
7 costs payable with respect thereto, all as certified by the  
8 Director of the Bureau of the Budget (now Governor's Office of  
9 Management and Budget). If on the last business day of any  
10 month in which Bonds are outstanding pursuant to the Build  
11 Illinois Bond Act, the aggregate of moneys deposited in the  
12 Build Illinois Bond Account in the Build Illinois Fund in such  
13 month shall be less than the amount required to be transferred  
14 in such month from the Build Illinois Bond Account to the Build  
15 Illinois Bond Retirement and Interest Fund pursuant to Section  
16 13 of the Build Illinois Bond Act, an amount equal to such  
17 deficiency shall be immediately paid from other moneys received  
18 by the Department pursuant to the Tax Acts to the Build  
19 Illinois Fund; provided, however, that any amounts paid to the  
20 Build Illinois Fund in any fiscal year pursuant to this  
21 sentence shall be deemed to constitute payments pursuant to  
22 clause (b) of the first sentence of this paragraph and shall  
23 reduce the amount otherwise payable for such fiscal year  
24 pursuant to that clause (b). The moneys received by the  
25 Department pursuant to this Act and required to be deposited  
26 into the Build Illinois Fund are subject to the pledge, claim

1 and charge set forth in Section 12 of the Build Illinois Bond  
2 Act.

3 Subject to payment of amounts into the Build Illinois Fund  
4 as provided in the preceding paragraph or in any amendment  
5 thereto hereafter enacted, the following specified monthly  
6 installment of the amount requested in the certificate of the  
7 Chairman of the Metropolitan Pier and Exposition Authority  
8 provided under Section 8.25f of the State Finance Act, but not  
9 in excess of sums designated as "Total Deposit", shall be  
10 deposited in the aggregate from collections under Section 9 of  
11 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
12 9 of the Service Occupation Tax Act, and Section 3 of the  
13 Retailers' Occupation Tax Act into the McCormick Place  
14 Expansion Project Fund in the specified fiscal years.

	Total
Fiscal Year	Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	93,000,000



1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

13 Beginning July 20, 1993 and in each month of each fiscal  
14 year thereafter, one-eighth of the amount requested in the  
15 certificate of the Chairman of the Metropolitan Pier and  
16 Exposition Authority for that fiscal year, less the amount  
17 deposited into the McCormick Place Expansion Project Fund by  
18 the State Treasurer in the respective month under subsection  
19 (g) of Section 13 of the Metropolitan Pier and Exposition  
20 Authority Act, plus cumulative deficiencies in the deposits  
21 required under this Section for previous months and years,  
22 shall be deposited into the McCormick Place Expansion Project  
23 Fund, until the full amount requested for the fiscal year, but  
24 not in excess of the amount specified above as "Total Deposit",  
25 has been deposited.

26 Subject to payment of amounts into the Build Illinois Fund

1 and the McCormick Place Expansion Project Fund pursuant to the  
2 preceding paragraphs or in any amendments thereto hereafter  
3 enacted, beginning July 1, 1993 and ending on September 30,  
4 2013, the Department shall each month pay into the Illinois Tax  
5 Increment Fund 0.27% of 80% of the net revenue realized for the  
6 preceding month from the 6.25% general rate on the selling  
7 price of tangible personal property.

8 Subject to payment of amounts into the Build Illinois Fund  
9 and the McCormick Place Expansion Project Fund pursuant to the  
10 preceding paragraphs or in any amendments thereto hereafter  
11 enacted, beginning with the receipt of the first report of  
12 taxes paid by an eligible business and continuing for a 25-year  
13 period, the Department shall each month pay into the Energy  
14 Infrastructure Fund 80% of the net revenue realized from the  
15 6.25% general rate on the selling price of Illinois-mined coal  
16 that was sold to an eligible business. For purposes of this  
17 paragraph, the term "eligible business" means a new electric  
18 generating facility certified pursuant to Section 605-332 of  
19 the Department of Commerce and Economic Opportunity Law of the  
20 Civil Administrative Code of Illinois.

21 Subject to payment of amounts into the Build Illinois Fund,  
22 the McCormick Place Expansion Project Fund, the Illinois Tax  
23 Increment Fund, and the Energy Infrastructure Fund pursuant to  
24 the preceding paragraphs or in any amendments to this Section  
25 hereafter enacted, beginning on the first day of the first  
26 calendar month to occur on or after August 26, 2014 (the

1 effective date of Public Act 98-1098), each month, from the  
2 collections made under Section 9 of the Use Tax Act, Section 9  
3 of the Service Use Tax Act, Section 9 of the Service Occupation  
4 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
5 the Department shall pay into the Tax Compliance and  
6 Administration Fund, to be used, subject to appropriation, to  
7 fund additional auditors and compliance personnel at the  
8 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
9 the cash receipts collected during the preceding fiscal year by  
10 the Audit Bureau of the Department under the Use Tax Act, the  
11 Service Use Tax Act, the Service Occupation Tax Act, the  
12 Retailers' Occupation Tax Act, and associated local occupation  
13 and use taxes administered by the Department.

14 Subject to payments of amounts into the Build Illinois  
15 Fund, the McCormick Place Expansion Project Fund, the Illinois  
16 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
17 Compliance and Administration Fund as provided in this Section,  
18 beginning on July 1, 2018 the Department shall pay each month  
19 into the Downstate Public Transportation Fund the moneys  
20 required to be so paid under Section 2-3 of the Downstate  
21 Public Transportation Act.

22 Of the remainder of the moneys received by the Department  
23 pursuant to this Act, 75% thereof shall be paid into the State  
24 Treasury and 25% shall be reserved in a special account and  
25 used only for the transfer to the Common School Fund as part of  
26 the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act.

2 The Department may, upon separate written notice to a  
3 taxpayer, require the taxpayer to prepare and file with the  
4 Department on a form prescribed by the Department within not  
5 less than 60 days after receipt of the notice an annual  
6 information return for the tax year specified in the notice.  
7 Such annual return to the Department shall include a statement  
8 of gross receipts as shown by the retailer's last Federal  
9 income tax return. If the total receipts of the business as  
10 reported in the Federal income tax return do not agree with the  
11 gross receipts reported to the Department of Revenue for the  
12 same period, the retailer shall attach to his annual return a  
13 schedule showing a reconciliation of the 2 amounts and the  
14 reasons for the difference. The retailer's annual return to the  
15 Department shall also disclose the cost of goods sold by the  
16 retailer during the year covered by such return, opening and  
17 closing inventories of such goods for such year, costs of goods  
18 used from stock or taken from stock and given away by the  
19 retailer during such year, payroll information of the  
20 retailer's business during such year and any additional  
21 reasonable information which the Department deems would be  
22 helpful in determining the accuracy of the monthly, quarterly  
23 or annual returns filed by such retailer as provided for in  
24 this Section.

25 If the annual information return required by this Section  
26 is not filed when and as required, the taxpayer shall be liable

1 as follows:

2 (i) Until January 1, 1994, the taxpayer shall be liable  
3 for a penalty equal to 1/6 of 1% of the tax due from such  
4 taxpayer under this Act during the period to be covered by  
5 the annual return for each month or fraction of a month  
6 until such return is filed as required, the penalty to be  
7 assessed and collected in the same manner as any other  
8 penalty provided for in this Act.

9 (ii) On and after January 1, 1994, the taxpayer shall  
10 be liable for a penalty as described in Section 3-4 of the  
11 Uniform Penalty and Interest Act.

12 The chief executive officer, proprietor, owner or highest  
13 ranking manager shall sign the annual return to certify the  
14 accuracy of the information contained therein. Any person who  
15 willfully signs the annual return containing false or  
16 inaccurate information shall be guilty of perjury and punished  
17 accordingly. The annual return form prescribed by the  
18 Department shall include a warning that the person signing the  
19 return may be liable for perjury.

20 The provisions of this Section concerning the filing of an  
21 annual information return do not apply to a retailer who is not  
22 required to file an income tax return with the United States  
23 Government.

24 As soon as possible after the first day of each month, upon  
25 certification of the Department of Revenue, the Comptroller  
26 shall order transferred and the Treasurer shall transfer from

1 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
2 equal to 1.7% of 80% of the net revenue realized under this Act  
3 for the second preceding month. Beginning April 1, 2000, this  
4 transfer is no longer required and shall not be made.

5 Net revenue realized for a month shall be the revenue  
6 collected by the State pursuant to this Act, less the amount  
7 paid out during that month as refunds to taxpayers for  
8 overpayment of liability.

9 For greater simplicity of administration, manufacturers,  
10 importers and wholesalers whose products are sold at retail in  
11 Illinois by numerous retailers, and who wish to do so, may  
12 assume the responsibility for accounting and paying to the  
13 Department all tax accruing under this Act with respect to such  
14 sales, if the retailers who are affected do not make written  
15 objection to the Department to this arrangement.

16 Any person who promotes, organizes, provides retail  
17 selling space for concessionaires or other types of sellers at  
18 the Illinois State Fair, DuQuoin State Fair, county fairs,  
19 local fairs, art shows, flea markets and similar exhibitions or  
20 events, including any transient merchant as defined by Section  
21 2 of the Transient Merchant Act of 1987, is required to file a  
22 report with the Department providing the name of the merchant's  
23 business, the name of the person or persons engaged in  
24 merchant's business, the permanent address and Illinois  
25 Retailers Occupation Tax Registration Number of the merchant,  
26 the dates and location of the event and other reasonable

1 information that the Department may require. The report must be  
2 filed not later than the 20th day of the month next following  
3 the month during which the event with retail sales was held.  
4 Any person who fails to file a report required by this Section  
5 commits a business offense and is subject to a fine not to  
6 exceed \$250.

7 Any person engaged in the business of selling tangible  
8 personal property at retail as a concessionaire or other type  
9 of seller at the Illinois State Fair, county fairs, art shows,  
10 flea markets and similar exhibitions or events, or any  
11 transient merchants, as defined by Section 2 of the Transient  
12 Merchant Act of 1987, may be required to make a daily report of  
13 the amount of such sales to the Department and to make a daily  
14 payment of the full amount of tax due. The Department shall  
15 impose this requirement when it finds that there is a  
16 significant risk of loss of revenue to the State at such an  
17 exhibition or event. Such a finding shall be based on evidence  
18 that a substantial number of concessionaires or other sellers  
19 who are not residents of Illinois will be engaging in the  
20 business of selling tangible personal property at retail at the  
21 exhibition or event, or other evidence of a significant risk of  
22 loss of revenue to the State. The Department shall notify  
23 concessionaires and other sellers affected by the imposition of  
24 this requirement. In the absence of notification by the  
25 Department, the concessionaires and other sellers shall file  
26 their returns as otherwise required in this Section.



(Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

(35 ILCS 520/Act rep.)

Section 900-20. The Cannabis and Controlled Substances Tax Act is repealed.

Section 900-22. The Illinois Police Training Act is amended by changing Sections 9 and 10.12 as follows:

(50 ILCS 705/9) (from Ch. 85, par. 509)

(Text of Section before amendment by P.A. 100-987)

Sec. 9. A special fund is hereby established in the State Treasury to be known as the Traffic and Criminal Conviction Surcharge Fund and shall be financed as provided in Section 9.1 of this Act and Section 5-9-1 of the Unified Code of Corrections, unless the fines, costs, or additional amounts imposed are subject to disbursement by the circuit clerk under Section 27.5 of the Clerks of Courts Act. Moneys in this Fund shall be expended as follows:

(1) a portion of the total amount deposited in the Fund may be used, as appropriated by the General Assembly, for the ordinary and contingent expenses of the Illinois Law Enforcement Training Standards Board;

(2) a portion of the total amount deposited in the Fund

1 shall be appropriated for the reimbursement of local  
2 governmental agencies participating in training programs  
3 certified by the Board, in an amount equaling 1/2 of the  
4 total sum paid by such agencies during the State's previous  
5 fiscal year for mandated training for probationary police  
6 officers or probationary county corrections officers and  
7 for optional advanced and specialized law enforcement or  
8 county corrections training; these reimbursements may  
9 include the costs for tuition at training schools, the  
10 salaries of trainees while in schools, and the necessary  
11 travel and room and board expenses for each trainee; if the  
12 appropriations under this paragraph (2) are not sufficient  
13 to fully reimburse the participating local governmental  
14 agencies, the available funds shall be apportioned among  
15 such agencies, with priority first given to repayment of  
16 the costs of mandatory training given to law enforcement  
17 officer or county corrections officer recruits, then to  
18 repayment of costs of advanced or specialized training for  
19 permanent police officers or permanent county corrections  
20 officers;

21 (3) a portion of the total amount deposited in the Fund  
22 may be used to fund the Intergovernmental Law Enforcement  
23 Officer's In-Service Training Act, veto overridden October  
24 29, 1981, as now or hereafter amended, at a rate and method  
25 to be determined by the board;

26 (4) a portion of the Fund also may be used by the

1 Illinois Department of State Police for expenses incurred  
2 in the training of employees from any State, county or  
3 municipal agency whose function includes enforcement of  
4 criminal or traffic law;

5 (5) a portion of the Fund may be used by the Board to  
6 fund grant-in-aid programs and services for the training of  
7 employees from any county or municipal agency whose  
8 functions include corrections or the enforcement of  
9 criminal or traffic law;

10 (6) for fiscal years 2013 through 2017 only, a portion  
11 of the Fund also may be used by the Department of State  
12 Police to finance any of its lawful purposes or functions;  
13 ~~and~~

14 (7) a portion of the Fund may be used by the Board,  
15 subject to appropriation, to administer grants to local law  
16 enforcement agencies for the purpose of purchasing  
17 bulletproof vests under the Law Enforcement Officer  
18 Bulletproof Vest Act; and .

19 (8) a portion of the Fund may be used by the Board to  
20 create a law enforcement grant program available for units  
21 of local government to fund crime prevention programs,  
22 training, and interdiction efforts, including enforcement  
23 and prevention efforts, relating to the illegal cannabis  
24 market and driving under the influence of cannabis.

25 All payments from the Traffic and Criminal Conviction  
26 Surcharge Fund shall be made each year from moneys appropriated

1 for the purposes specified in this Section. No more than 50% of  
2 any appropriation under this Act shall be spent in any city  
3 having a population of more than 500,000. The State Comptroller  
4 and the State Treasurer shall from time to time, at the  
5 direction of the Governor, transfer from the Traffic and  
6 Criminal Conviction Surcharge Fund to the General Revenue Fund  
7 in the State Treasury such amounts as the Governor determines  
8 are in excess of the amounts required to meet the obligations  
9 of the Traffic and Criminal Conviction Surcharge Fund.

10 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;  
11 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff.  
12 6-30-16.)

13 (Text of Section after amendment by P.A. 100-987)

14 Sec. 9. A special fund is hereby established in the State  
15 Treasury to be known as the Traffic and Criminal Conviction  
16 Surcharge Fund. Moneys in this Fund shall be expended as  
17 follows:

18 (1) a portion of the total amount deposited in the Fund  
19 may be used, as appropriated by the General Assembly, for  
20 the ordinary and contingent expenses of the Illinois Law  
21 Enforcement Training Standards Board;

22 (2) a portion of the total amount deposited in the Fund  
23 shall be appropriated for the reimbursement of local  
24 governmental agencies participating in training programs  
25 certified by the Board, in an amount equaling 1/2 of the

1 total sum paid by such agencies during the State's previous  
2 fiscal year for mandated training for probationary police  
3 officers or probationary county corrections officers and  
4 for optional advanced and specialized law enforcement or  
5 county corrections training; these reimbursements may  
6 include the costs for tuition at training schools, the  
7 salaries of trainees while in schools, and the necessary  
8 travel and room and board expenses for each trainee; if the  
9 appropriations under this paragraph (2) are not sufficient  
10 to fully reimburse the participating local governmental  
11 agencies, the available funds shall be apportioned among  
12 such agencies, with priority first given to repayment of  
13 the costs of mandatory training given to law enforcement  
14 officer or county corrections officer recruits, then to  
15 repayment of costs of advanced or specialized training for  
16 permanent police officers or permanent county corrections  
17 officers;

18 (3) a portion of the total amount deposited in the Fund  
19 may be used to fund the Intergovernmental Law Enforcement  
20 Officer's In-Service Training Act, veto overridden October  
21 29, 1981, as now or hereafter amended, at a rate and method  
22 to be determined by the board;

23 (4) a portion of the Fund also may be used by the  
24 Illinois Department of State Police for expenses incurred  
25 in the training of employees from any State, county or  
26 municipal agency whose function includes enforcement of

1 criminal or traffic law;

2 (5) a portion of the Fund may be used by the Board to  
3 fund grant-in-aid programs and services for the training of  
4 employees from any county or municipal agency whose  
5 functions include corrections or the enforcement of  
6 criminal or traffic law;

7 (6) for fiscal years 2013 through 2017 only, a portion  
8 of the Fund also may be used by the Department of State  
9 Police to finance any of its lawful purposes or functions;  
10 ~~and~~

11 (7) a portion of the Fund may be used by the Board,  
12 subject to appropriation, to administer grants to local law  
13 enforcement agencies for the purpose of purchasing  
14 bulletproof vests under the Law Enforcement Officer  
15 Bulletproof Vest Act; and -

16 (8) a portion of the Fund may be used by the Board to  
17 create a law enforcement grant program available for units  
18 of local government to fund crime prevention programs,  
19 training, and interdiction efforts, including enforcement  
20 and prevention efforts, relating to the illegal cannabis  
21 market and driving under the influence of cannabis.

22 All payments from the Traffic and Criminal Conviction  
23 Surcharge Fund shall be made each year from moneys appropriated  
24 for the purposes specified in this Section. No more than 50% of  
25 any appropriation under this Act shall be spent in any city  
26 having a population of more than 500,000. The State Comptroller

1 and the State Treasurer shall from time to time, at the  
2 direction of the Governor, transfer from the Traffic and  
3 Criminal Conviction Surcharge Fund to the General Revenue Fund  
4 in the State Treasury such amounts as the Governor determines  
5 are in excess of the amounts required to meet the obligations  
6 of the Traffic and Criminal Conviction Surcharge Fund.

7 (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16;  
8 100-987, eff. 7-1-19.)

9 (50 ILCS 705/10.12)

10 Sec. 10.12. Police dog training standards. All ~~Beginning~~  
11 ~~July 1, 2012, all~~ police dogs used by State and local law  
12 enforcement agencies for drug enforcement purposes pursuant to  
13 the Cannabis Control Act ~~(720 ILCS 550/)~~, the Illinois  
14 Controlled Substances Act ~~(720 ILCS 570/)~~, or ~~and~~ the  
15 Methamphetamine Control and Community Protection Act ~~(720 ILCS~~  
16 ~~646/)~~ shall be trained by programs that meet the minimum  
17 certification requirements set by the Board.

18 (Source: P.A. 97-469, eff. 7-1-12.)

19 Section 900-25. The Counties Code is amended by changing  
20 Section 5-1009 as follows:

21 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

22 Sec. 5-1009. Limitation on home rule powers. Except as  
23 provided in Sections 5-1006, 5-1006.5, 5-1007 and 5-1008, on

1 and after September 1, 1990, no home rule county has the  
2 authority to impose, pursuant to its home rule authority, a  
3 retailer's occupation tax, service occupation tax, use tax,  
4 sales tax or other tax on the use, sale or purchase of tangible  
5 personal property based on the gross receipts from such sales  
6 or the selling or purchase price of said tangible personal  
7 property. Notwithstanding the foregoing, this Section does not  
8 preempt any home rule imposed tax such as the following: (1) a  
9 tax on alcoholic beverages, whether based on gross receipts,  
10 volume sold or any other measurement; (2) a tax based on the  
11 number of units of cigarettes or tobacco products; (3) a tax,  
12 however measured, based on the use of a hotel or motel room or  
13 similar facility; (4) a tax, however measured, on the sale or  
14 transfer of real property; (5) a tax, however measured, on  
15 lease receipts; (6) a tax on food prepared for immediate  
16 consumption and on alcoholic beverages sold by a business which  
17 provides for on premise consumption of said food or alcoholic  
18 beverages; or (7) other taxes (other than a tax on cannabis in  
19 any of its forms, which is prohibited) not based on the selling  
20 or purchase price or gross receipts from the use, sale or  
21 purchase of tangible personal property. This Section does not  
22 preempt a home rule county from imposing a tax, however  
23 measured, on the use, for consideration, of a parking lot,  
24 garage, or other parking facility. This Section is a  
25 limitation, pursuant to subsection (g) of Section 6 of Article  
26 VII of the Illinois Constitution, on the power of home rule



1 units to tax.

2 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

3 Section 900-30. The Illinois Municipal Code is amended by  
4 changing Section 8-11-6a and by adding Section 8-11-22 as  
5 follows:

6 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

7 Sec. 8-11-6a. Home rule municipalities; preemption of  
8 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,  
9 8-11-6, 8-11-6b, 8-11-6c, and 11-74.3-6 on and after September  
10 1, 1990, no home rule municipality has the authority to impose,  
11 pursuant to its home rule authority, a retailer's occupation  
12 tax, service occupation tax, use tax, sales tax or other tax on  
13 the use, sale or purchase of tangible personal property based  
14 on the gross receipts from such sales or the selling or  
15 purchase price of said tangible personal property.  
16 Notwithstanding the foregoing, this Section does not preempt  
17 any home rule imposed tax such as the following: (1) a tax on  
18 alcoholic beverages, whether based on gross receipts, volume  
19 sold or any other measurement; (2) a tax based on the number of  
20 units of cigarettes or tobacco products (provided, however,  
21 that a home rule municipality that has not imposed a tax based  
22 on the number of units of cigarettes or tobacco products before  
23 July 1, 1993, shall not impose such a tax after that date); (3)  
24 a tax, however measured, based on the use of a hotel or motel

1 room or similar facility; (4) a tax, however measured, on the  
2 sale or transfer of real property; (5) a tax, however measured,  
3 on lease receipts; (6) a tax on food prepared for immediate  
4 consumption and on alcoholic beverages sold by a business which  
5 provides for on premise consumption of said food or alcoholic  
6 beverages; or (7) other taxes (other than a tax on cannabis in  
7 any of its forms, which is prohibited) not based on the selling  
8 or purchase price or gross receipts from the use, sale or  
9 purchase of tangible personal property. This Section does not  
10 preempt a home rule municipality with a population of more than  
11 2,000,000 from imposing a tax, however measured, on the use,  
12 for consideration, of a parking lot, garage, or other parking  
13 facility. This Section is not intended to affect any existing  
14 tax on food and beverages prepared for immediate consumption on  
15 the premises where the sale occurs, or any existing tax on  
16 alcoholic beverages, or any existing tax imposed on the charge  
17 for renting a hotel or motel room, which was in effect January  
18 15, 1988, or any extension of the effective date of such an  
19 existing tax by ordinance of the municipality imposing the tax,  
20 which extension is hereby authorized, in any non-home rule  
21 municipality in which the imposition of such a tax has been  
22 upheld by judicial determination, nor is this Section intended  
23 to preempt the authority granted by Public Act 85-1006. This  
24 Section is a limitation, pursuant to subsection (g) of Section  
25 6 of Article VII of the Illinois Constitution, on the power of  
26 home rule units to tax.

(Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

(65 ILCS 5/8-11-22 new)

Sec. 8-11-22. Municipal Cannabis Retailers' Occupation Tax Law.

(a) This Section may be referred to as the Municipal Cannabis Purchaser Excise Tax Law. On and after January 1, 2020, the corporate authorities of any municipality may, by ordinance, impose a tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the municipality on the gross receipts from these sales made in the course of that business. If imposed, the tax may not exceed 3% of the gross receipts from these sales and shall only be imposed in 1/4% increments. The tax imposed under this Section and all civil penalties that may be assessed as an incident of the tax shall be collected and enforced by the Department of Revenue. The Department of Revenue shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this Section. In the administration of and compliance with this Section, the Department and persons who are subject to this Section shall have the same rights,

1 remedies, privileges, immunities, powers and duties, and be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties and definitions of terms, and employ the same modes  
4 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,  
5 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all  
6 provisions therein other than the State rate of tax), 2c, 3  
7 (except as to the disposition of taxes and penalties  
8 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
9 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth herein.

13 (b) Persons subject to any tax imposed under the authority  
14 granted in this Section may reimburse themselves for their  
15 seller's tax liability hereunder by separately stating that tax  
16 as an additional charge, which charge may be stated in  
17 combination, in a single amount, with any State tax that  
18 sellers are required to collect.

19 (c) Whenever the Department of Revenue determines that a  
20 refund should be made under this Section to a claimant instead  
21 of issuing a credit memorandum, the Department of Revenue shall  
22 notify the State Comptroller, who shall cause the order to be  
23 drawn for the amount specified and to the person named in the  
24 notification from the Department of Revenue.

25 (d) The Department of Revenue shall immediately pay over to  
26 the State Treasurer, ex officio, as trustee, all taxes and

1 penalties collected hereunder for deposit into the Municipal  
2 Cannabis Retailers' Occupation Tax Trust Fund.

3 (e) On or before the 25th day of each calendar month, the  
4 Department of Revenue shall prepare and certify to the  
5 Comptroller the amount of money to be disbursed from the  
6 Municipal Cannabis Retailers' Occupation Tax Trust Fund to  
7 municipalities from which retailers have paid taxes or  
8 penalties under this Section during the second preceding  
9 calendar month. The amount to be paid to each municipality  
10 shall be the amount (not including credit memoranda) collected  
11 under this Section from sales made in the municipality during  
12 the second preceding calendar month, plus an amount the  
13 Department of Revenue determines is necessary to offset any  
14 amounts that were erroneously paid to a different taxing body,  
15 and not including an amount equal to the amount of refunds made  
16 during the second preceding calendar month by the Department on  
17 behalf of such municipality, and not including any amount that  
18 the Department determines is necessary to offset any amounts  
19 that were payable to a different taxing body but were  
20 erroneously paid to the municipality, less 1.5% of the  
21 remainder, which the Department shall transfer into the Tax  
22 Compliance and Administration Fund. The Department, at the time  
23 of each monthly disbursement to the municipalities, shall  
24 prepare and certify to the State Comptroller the amount to be  
25 transferred into the Tax Compliance and Administration Fund  
26 under this Section. Within 10 days after receipt by the

1 Comptroller of the disbursement certification to the  
2 municipalities and the Tax Compliance and Administration Fund  
3 provided for in this Section to be given to the Comptroller by  
4 the Department, the Comptroller shall cause the orders to be  
5 drawn for the respective amounts in accordance with the  
6 directions contained in the certification.

7 (f) An ordinance or resolution imposing or discontinuing a  
8 tax under this Section or effecting a change in the rate  
9 thereof shall be adopted and a certified copy thereof filed  
10 with the Department on or before the first day of June,  
11 whereupon the Department shall proceed to administer and  
12 enforce this Section as of the first day of September next  
13 following the adoption and filing.

14 Section 900-32. The Smoke Free Illinois Act is amended by  
15 changing Section 35 as follows:

16 (410 ILCS 82/35)

17 Sec. 35. Exemptions. Notwithstanding any other provision  
18 of this Act, smoking is allowed in the following areas:

19 (1) Private residences or dwelling places, except when  
20 used as a child care, adult day care, or healthcare  
21 facility or any other home-based business open to the  
22 public.

23 (2) Retail tobacco stores as defined in Section 10 of  
24 this Act in operation prior to the effective date of this

1       amendatory Act of the 95th General Assembly. The retail  
2       tobacco store shall annually file with the Department by  
3       January 31st an affidavit stating the percentage of its  
4       gross income during the prior calendar year that was  
5       derived from the sale of loose tobacco, plants, or herbs  
6       and cigars, cigarettes, pipes, or other smoking devices for  
7       smoking tobacco and related smoking accessories. Any  
8       retail tobacco store that begins operation after the  
9       effective date of this amendatory Act may only qualify for  
10      an exemption if located in a freestanding structure  
11      occupied solely by the business and smoke from the business  
12      does not migrate into an enclosed area where smoking is  
13      prohibited.

14           (3) (Blank).

15           (4) Hotel and motel sleeping rooms that are rented to  
16      guests and are designated as smoking rooms, provided that  
17      all smoking rooms on the same floor must be contiguous and  
18      smoke from these rooms must not infiltrate into nonsmoking  
19      rooms or other areas where smoking is prohibited. Not more  
20      than 25% of the rooms rented to guests in a hotel or motel  
21      may be designated as rooms where smoking is allowed. The  
22      status of rooms as smoking or nonsmoking may not be  
23      changed, except to permanently add additional nonsmoking  
24      rooms.

25           (5) Enclosed laboratories that are excluded from the  
26      definition of "place of employment" in Section 10 of this

1 Act. Rulemaking authority to implement this amendatory Act  
2 of the 95th General Assembly, if any, is conditioned on the  
3 rules being adopted in accordance with all provisions of  
4 the Illinois Administrative Procedure Act and all rules and  
5 procedures of the Joint Committee on Administrative Rules;  
6 any purported rule not so adopted, for whatever reason, is  
7 unauthorized.

8 (6) Common smoking rooms in long-term care facilities  
9 operated under the authority of the Illinois Department of  
10 Veterans' Affairs or licensed under the Nursing Home Care  
11 Act that are accessible only to residents who are smokers  
12 and have requested in writing to have access to the common  
13 smoking room where smoking is permitted and the smoke shall  
14 not infiltrate other areas of the long-term care facility.  
15 Rulemaking authority to implement this amendatory Act of  
16 the 95th General Assembly, if any, is conditioned on the  
17 rules being adopted in accordance with all provisions of  
18 the Illinois Administrative Procedure Act and all rules and  
19 procedures of the Joint Committee on Administrative Rules;  
20 any purported rule not so adopted, for whatever reason, is  
21 unauthorized.

22 (7) A convention hall of the Donald E. Stephens  
23 Convention Center where a meeting or trade show for  
24 manufacturers and suppliers of tobacco and tobacco  
25 products and accessories is being held, during the time the  
26 meeting or trade show is occurring, if the meeting or trade



1 show:

2 (i) is a trade-only event and not open to the  
3 public;

4 (ii) is limited to attendees and exhibitors that  
5 are 21 years of age or older;

6 (iii) is being produced or organized by a business  
7 relating to tobacco or a professional association for  
8 convenience stores; and

9 (iv) involves the display of tobacco products.

10 Smoking is not allowed in any public area outside of  
11 the hall designated for the meeting or trade show.

12 This paragraph (7) is inoperative on and after October  
13 1, 2015.

14 (8) A privately owned facility at which cannabis or  
15 cannabis products may be consumed on location by adults 21  
16 years of age and older that is authorized and regulated by  
17 the unit of local government in which the facility is  
18 located. A privately owned facility authorized by a unit of  
19 local government must include an area designated as a  
20 consumption area, which must be separated from the rest of  
21 the premises by walls and a secure door, and have a  
22 separate ventilation system that directs air from the  
23 cannabis consumption area to the outside of the building  
24 through a filtration system sufficient to remove visible  
25 smoke. A privately owned facility authorized by a unit of  
26 local government must be compliant with all applicable

1 building codes and ordinances, provide adequate filtration  
2 to eliminate odor at the property line, and provide a  
3 smoke-free area for employees. A privately owned facility  
4 authorized by a unit of local government must be secure and  
5 include measures to prohibit access by persons under 21  
6 years old to the cannabis consumption area.

7 (Source: P.A. 98-1023, eff. 8-22-14.)

8 Section 900-35. The Compassionate Use of Medical Cannabis  
9 Pilot Program Act is amended by changing Sections 20, 200, and  
10 210 as follows:

11 (410 ILCS 130/20)

12 (Section scheduled to be repealed on July 1, 2020)

13 Sec. 20. Compassionate Use of Medical Cannabis Fund.

14 (a) There is created the Compassionate Use of Medical  
15 Cannabis Fund in the State treasury to be used exclusively for  
16 the direct and indirect costs associated with the  
17 implementation, administration, and enforcement of this Act.  
18 Funds in excess of the direct and indirect costs associated  
19 with the implementation, administration, and enforcement of  
20 this Act shall be used to fund crime prevention programs. On  
21 January 1, 2020, or as soon thereafter as possible, the  
22 Comptroller shall order transferred and the Treasurer shall  
23 transfer the balance in the Compassionate Use of Medical  
24 Cannabis Fund to the Cannabis Regulation Fund. Any deposits or

1 transfers thereafter directed to be made into the Compassionate  
2 Use of Medical Cannabis Fund shall instead be made into the  
3 Cannabis Regulation Fund. Beginning on January 1, 2020, all  
4 appropriation authority for State fiscal year 2020 or prior  
5 years for expenditures out of the Compassionate Use of Medical  
6 Cannabis Fund shall instead be deemed to be appropriation  
7 authority for expenditures out of the Cannabis Regulation Fund.

8 (b) Until January 1, 2020, all moneys ~~All monies~~ collected  
9 under this Act shall be deposited in the Compassionate Use of  
10 Medical Cannabis Fund in the State treasury. Beginning on  
11 January 1, 2020, all moneys collected under this Act shall be  
12 deposited into the Cannabis Regulation Fund. Until January 1,  
13 2020, all ~~All~~ earnings received from investment of moneys  
14 ~~monies~~ in the Compassionate Use of Medical Cannabis Fund shall  
15 be deposited in the Compassionate Use of Medical Cannabis Fund.

16 (c) Notwithstanding any other law to the contrary, the  
17 Compassionate Use of Medical Cannabis Fund is not subject to  
18 sweeps, administrative charge-backs, or any other fiscal or  
19 budgetary maneuver that would in any way transfer any amounts  
20 from the Compassionate Use of Medical Cannabis Fund into any  
21 other fund of the State.

22 (Source: P.A. 98-122, eff. 1-1-14.)

23 (410 ILCS 130/200)

24 (Section scheduled to be repealed on July 1, 2020)

25 Sec. 200. Tax imposed.

1           (a) Beginning on the effective date of this Act and until  
2 September 1, 2019, a tax is imposed upon the privilege of  
3 cultivating medical cannabis at a rate of 7% of the sales price  
4 per ounce. Beginning on September 1, 2019, a tax is imposed  
5 upon the privilege of cultivating and processing cannabis at  
6 the rate of 7% of the gross receipts from the sale of cannabis  
7 by a cultivator, craft grower, or processor to a dispensing  
8 organization. The sale of any product that contains any amount  
9 of cannabis or any derivative thereof is subject to the tax  
10 under this Section on the full selling price of the product.  
11 Until January 1, 2020, the ~~The~~ proceeds from this tax shall be  
12 deposited into the Compassionate Use of Medical Cannabis Fund  
13 created under the Compassionate Use of Medical Cannabis Pilot  
14 Program Act. Beginning on January 1, 2020, the proceeds from  
15 this tax shall be deposited into the Cannabis Regulation Fund.  
16 This tax shall be paid by the cultivator who makes the first  
17 sale ~~a cultivation center~~ and is not the responsibility of a  
18 dispensing organization or a qualifying patient.

19           (a-5) In the administration of and compliance with this  
20 Section, the Department of Revenue and persons who are subject  
21 to this Section: (i) have the same rights, remedies,  
22 privileges, immunities, powers, and duties, (ii) are subject to  
23 the same conditions, restrictions, limitations, penalties, and  
24 definitions of terms, and (iii) shall employ the same modes of  
25 procedure as are set forth in the Cannabis Cultivation  
26 Privilege Tax Law and the Uniform Penalty and Interest Act as

1 if those provisions were set forth in this Section.

2 (b) The tax imposed under this Act shall be in addition to  
3 all other occupation or privilege taxes imposed by the State of  
4 Illinois or by any municipal corporation or political  
5 subdivision thereof.

6 (Source: P.A. 98-122, eff. 1-1-14.)

7 (410 ILCS 130/210)

8 (Section scheduled to be repealed on July 1, 2020)

9 Sec. 210. Returns.

10 (a) This subsection (a) applies to returns due on or before  
11 the effective date of this amendatory Act of the 101st General  
12 Assembly. On or before the twentieth day of each calendar  
13 month, every person subject to the tax imposed under this Law  
14 during the preceding calendar month shall file a return with  
15 the Department, stating:

16 (1) The name of the taxpayer;

17 (2) The number of ounces of medical cannabis sold to a  
18 dispensary organization or a registered qualifying patient  
19 during the preceding calendar month;

20 (3) The amount of tax due;

21 (4) The signature of the taxpayer; and

22 (5) Such other reasonable information as the  
23 Department may require.

24 If a taxpayer fails to sign a return within 30 days after  
25 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be  
2 due on the return shall be deemed assessed.

3 The taxpayer shall remit the amount of the tax due to the  
4 Department at the time the taxpayer files his or her return.

5 (b) Beginning on the effective date of this amendatory Act  
6 of the 101st General Assembly, Section 65-20 of the Cannabis  
7 Regulation and Tax Act shall apply to returns filed and taxes  
8 paid under this Act to the same extent as if those provisions  
9 were set forth in full in this Section.

10 (Source: P.A. 98-122, eff. 1-1-14.)

11 Section 900-40. The Cannabis Control Act is amended by  
12 changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

13 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

14 Sec. 4. Except as otherwise provided in the Cannabis  
15 Regulation and Tax Act, it ~~it~~ is unlawful for any person  
16 knowingly to possess cannabis.

17 Any person who violates this Section ~~section~~ with respect to:

18 (a) not more than 10 grams of any substance containing  
19 cannabis is guilty of a civil law violation punishable by a  
20 minimum fine of \$100 and a maximum fine of \$200. The  
21 proceeds of the fine shall be payable to the clerk of the  
22 circuit court. Within 30 days after the deposit of the  
23 fine, the clerk shall distribute the proceeds of the fine  
24 as follows:

1           (1) \$10 of the fine to the circuit clerk and \$10 of  
2           the fine to the law enforcement agency that issued the  
3           citation; the proceeds of each \$10 fine distributed to  
4           the circuit clerk and each \$10 fine distributed to the  
5           law enforcement agency that issued the citation for the  
6           violation shall be used to defer the cost of automatic  
7           expungements under paragraph (2.5) of subsection (a)  
8           of Section 5.2 of the Criminal Identification Act;

9           (2) \$15 to the county to fund drug addiction  
10          services;

11          (3) \$10 to the Office of the State's Attorneys  
12          Appellate Prosecutor for use in training programs;

13          (4) \$10 to the State's Attorney; and

14          (5) any remainder of the fine to the law  
15          enforcement agency that issued the citation for the  
16          violation.

17          With respect to funds designated for the Department of  
18          State Police, the moneys shall be remitted by the circuit  
19          court clerk to the Department of State Police within one  
20          month after receipt for deposit into the State Police  
21          Operations Assistance Fund. With respect to funds  
22          designated for the Department of Natural Resources, the  
23          Department of Natural Resources shall deposit the moneys  
24          into the Conservation Police Operations Assistance Fund;

25          (b) more than 10 grams but not more than 30 grams of  
26          any substance containing cannabis is guilty of a Class B

1 misdemeanor;

2 (c) more than 30 grams but not more than 100 grams of  
3 any substance containing cannabis is guilty of a Class A  
4 misdemeanor; provided, that if any offense under this  
5 subsection (c) is a subsequent offense, the offender shall  
6 be guilty of a Class 4 felony;

7 (d) more than 100 grams but not more than 500 grams of  
8 any substance containing cannabis is guilty of a Class 4  
9 felony; provided that if any offense under this subsection  
10 (d) is a subsequent offense, the offender shall be guilty  
11 of a Class 3 felony;

12 (e) more than 500 grams but not more than 2,000 grams  
13 of any substance containing cannabis is guilty of a Class 3  
14 felony;

15 (f) more than 2,000 grams but not more than 5,000 grams  
16 of any substance containing cannabis is guilty of a Class 2  
17 felony;

18 (g) more than 5,000 grams of any substance containing  
19 cannabis is guilty of a Class 1 felony.

20 (Source: P.A. 99-697, eff. 7-29-16.)

21 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

22 Sec. 5. Except as otherwise provided in the Cannabis  
23 Regulation and Tax Act, it ~~it~~ is unlawful for any person  
24 knowingly to manufacture, deliver, or possess with intent to  
25 deliver, or manufacture, cannabis. Any person who violates this



1 Section ~~section~~ with respect to:

2 (a) not more than 2.5 grams of any substance containing  
3 cannabis is guilty of a Class B misdemeanor;

4 (b) more than 2.5 grams but not more than 10 grams of any  
5 substance containing cannabis is guilty of a Class A  
6 misdemeanor;

7 (c) more than 10 grams but not more than 30 grams of any  
8 substance containing cannabis is guilty of a Class 4 felony;

9 (d) more than 30 grams but not more than 500 grams of any  
10 substance containing cannabis is guilty of a Class 3 felony for  
11 which a fine not to exceed \$50,000 may be imposed;

12 (e) more than 500 grams but not more than 2,000 grams of  
13 any substance containing cannabis is guilty of a Class 2 felony  
14 for which a fine not to exceed \$100,000 may be imposed;

15 (f) more than 2,000 grams but not more than 5,000 grams of  
16 any substance containing cannabis is guilty of a Class 1 felony  
17 for which a fine not to exceed \$150,000 may be imposed;

18 (g) more than 5,000 grams of any substance containing  
19 cannabis is guilty of a Class X felony for which a fine not to  
20 exceed \$200,000 may be imposed.

21 (Source: P.A. 90-397, eff. 8-15-97.)

22 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

23 Sec. 5.1. Cannabis Trafficking.

24 (a) Except for purposes authorized by this Act or the  
25 Cannabis Regulation and Tax Act, any person who knowingly

1 brings or causes to be brought into this State for the purpose  
2 of manufacture or delivery or with the intent to manufacture or  
3 deliver 2,500 grams or more of cannabis in this State or any  
4 other state or country is guilty of cannabis trafficking.

5 (b) A person convicted of cannabis trafficking shall be  
6 sentenced to a term of imprisonment not less than twice the  
7 minimum term and fined an amount as authorized by subsection  
8 (f) or (g) of Section 5 of this Act, based upon the amount of  
9 cannabis brought or caused to be brought into this State, and  
10 not more than twice the maximum term of imprisonment and fined  
11 twice the amount as authorized by subsection (f) or (g) of  
12 Section 5 of this Act, based upon the amount of cannabis  
13 brought or caused to be brought into this State.

14 (Source: P.A. 90-397, eff. 8-15-97.)

15 (720 ILCS 550/5.3)

16 Sec. 5.3. Unlawful use of cannabis-based product  
17 manufacturing equipment.

18 (a) A person commits unlawful use of cannabis-based product  
19 manufacturing equipment when he or she knowingly engages in the  
20 possession, procurement, transportation, storage, or delivery  
21 of any equipment used in the manufacturing of any  
22 cannabis-based product using volatile or explosive gas,  
23 including, but not limited to, canisters of butane gas, with  
24 the intent to manufacture, compound, covert, produce, derive,  
25 process, or prepare either directly or indirectly any

1 cannabis-based product.

2 (b) This Section does not apply to a cultivation center or  
3 cultivation center agent that prepares medical cannabis or  
4 cannabis-infused products in compliance with the Compassionate  
5 Use of Medical Cannabis Pilot Program Act and Department of  
6 Public Health and Department of Agriculture rules.

7 (c) Sentence. A person who violates this Section is guilty  
8 of a Class 2 felony.

9 (d) This Section does not apply to craft growers,  
10 cultivation centers, and processing organizations licensed  
11 under the Cannabis Regulation and Tax Act.

12 (e) This Section does not apply to manufacturers of  
13 cannabis-based product manufacturing equipment or transporting  
14 organizations with documentation identifying the seller and  
15 purchaser of the equipment if the seller or purchaser is a  
16 craft grower, cultivation center, or processing organization  
17 licensed under the Cannabis Regulation and Tax Act.

18 (Source: P.A. 99-697, eff. 7-29-16.)

19 (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

20 Sec. 8. Except as otherwise provided in the Cannabis  
21 Regulation and Tax Act, it ~~is~~ is unlawful for any person  
22 knowingly to produce the Cannabis ~~cannabis~~ sativa plant or to  
23 possess such plants unless production or possession has been  
24 authorized pursuant to the provisions of Section 11 or 15.2 of  
25 the Act. Any person who violates this Section with respect to

1 production or possession of:

2 (a) Not more than 5 plants is guilty of a civil violation  
3 punishable by a minimum fine of \$100 and a maximum fine of  
4 \$200. The proceeds of the fine are payable to the clerk of the  
5 circuit court. Within 30 days after the deposit of the fine,  
6 the clerk shall distribute the proceeds of the fine as follows:

7 (1) \$10 of the fine to the circuit clerk and \$10 of the  
8 fine to the law enforcement agency that issued the  
9 citation; the proceeds of each \$10 fine distributed to the  
10 circuit clerk and each \$10 fine distributed to the law  
11 enforcement agency that issued the citation for the  
12 violation shall be used to defer the cost of automatic  
13 expungements under paragraph (2.5) of subsection (a) of  
14 Section 5.2 of the Criminal Identification Act;

15 (2) \$15 to the county to fund drug addiction services;

16 (3) \$10 to the Office of the State's Attorneys  
17 Appellate Prosecutor for use in training programs;

18 (4) \$10 to the State's Attorney; and

19 (5) any remainder of the fine to the law enforcement  
20 agency that issued the citation for the violation.

21 With respect to funds designated for the Department of  
22 State Police, the moneys shall be remitted by the circuit court  
23 clerk to the Department of State Police within one month after  
24 receipt for deposit into the State Police Operations Assistance  
25 Fund. With respect to funds designated for the Department of  
26 Natural Resources, the Department of Natural Resources shall

1 deposit the moneys into the Conservation Police Operations  
2 Assistance Fund. ~~Class A misdemeanor.~~

3 (b) More than 5, but not more than 20 plants, is guilty of  
4 a Class 4 felony.

5 (c) More than 20, but not more than 50 plants, is guilty of  
6 a Class 3 felony.

7 (d) More than 50, but not more than 200 plants, is guilty  
8 of a Class 2 felony for which a fine not to exceed \$100,000 may  
9 be imposed and for which liability for the cost of conducting  
10 the investigation and eradicating such plants may be assessed.  
11 Compensation for expenses incurred in the enforcement of this  
12 provision shall be transmitted to and deposited in the  
13 treasurer's office at the level of government represented by  
14 the Illinois law enforcement agency whose officers or employees  
15 conducted the investigation or caused the arrest or arrests  
16 leading to the prosecution, to be subsequently made available  
17 to that law enforcement agency as expendable receipts for use  
18 in the enforcement of laws regulating controlled substances and  
19 cannabis. If such seizure was made by a combination of law  
20 enforcement personnel representing different levels of  
21 government, the court levying the assessment shall determine  
22 the allocation of such assessment. The proceeds of assessment  
23 awarded to the State treasury shall be deposited in a special  
24 fund known as the Drug Traffic Prevention Fund.

25 (e) More than 200 plants is guilty of a Class 1 felony for  
26 which a fine not to exceed \$100,000 may be imposed and for

1 which liability for the cost of conducting the investigation  
2 and eradicating such plants may be assessed. Compensation for  
3 expenses incurred in the enforcement of this provision shall be  
4 transmitted to and deposited in the treasurer's office at the  
5 level of government represented by the Illinois law enforcement  
6 agency whose officers or employees conducted the investigation  
7 or caused the arrest or arrests leading to the prosecution, to  
8 be subsequently made available to that law enforcement agency  
9 as expendable receipts for use in the enforcement of laws  
10 regulating controlled substances and cannabis. If such seizure  
11 was made by a combination of law enforcement personnel  
12 representing different levels of government, the court levying  
13 the assessment shall determine the allocation of such  
14 assessment. The proceeds of assessment awarded to the State  
15 treasury shall be deposited in a special fund known as the Drug  
16 Traffic Prevention Fund.

17 (Source: P.A. 98-1072, eff. 1-1-15.)

18 Section 900-45. The Condominium Property Act is amended by  
19 adding Section 33 as follows:

20 (765 ILCS 605/33 new)

21 Sec. 33. Limitations on the use of smoking cannabis. The  
22 declaration or bylaws of a condominium association may prohibit  
23 or limit the smoking of cannabis as the term "smoking" is  
24 defined in the Cannabis Regulation and Tax Act. The declaration

1 or bylaws of a condominium association shall not otherwise  
2 restrict the consumption of cannabis by any other method within  
3 an owner's unit, but may restrict cannabis consumption in  
4 common areas.

5 Section 900-50. The Right to Privacy in the Workplace Act  
6 is amended by changing Section 5 as follows:

7 (820 ILCS 55/5) (from Ch. 48, par. 2855)

8 Sec. 5. Discrimination for use of lawful products  
9 prohibited.

10 (a) Except as otherwise specifically provided by law and  
11 except as provided in subsections (b) and (c) of this Section,  
12 it shall be unlawful for an employer to refuse to hire or to  
13 discharge any individual, or otherwise disadvantage any  
14 individual, with respect to compensation, terms, conditions or  
15 privileges of employment because the individual uses lawful  
16 products off the premises of the employer during nonworking  
17 hours. As used in this Section, "lawful products" includes  
18 cannabis for personal use as permitted by the Cannabis  
19 Regulation and Tax Act.

20 (b) This Section does not apply to any employer that is a  
21 non-profit organization that, as one of its primary purposes or  
22 objectives, discourages the use of one or more lawful products  
23 by the general public. This Section does not apply to the use  
24 of those lawful products which impairs an employee's ability to

1 perform the employee's assigned duties.

2 (c) It is not a violation of this Section for an employer  
3 to offer, impose or have in effect a health, disability or life  
4 insurance policy that makes distinctions between employees for  
5 the type of coverage or the price of coverage based upon the  
6 employees' use of lawful products provided that:

7 (1) differential premium rates charged employees  
8 reflect a differential cost to the employer; and

9 (2) employers provide employees with a statement  
10 delineating the differential rates used by insurance  
11 carriers.

12 (Source: P.A. 87-807.)

13 ARTICLE 999.

14 MISCELLANEOUS PROVISIONS

15 Section 999-95. No acceleration or delay. Where this Act  
16 makes changes in a statute that is represented in this Act by  
17 text that is not yet or no longer in effect (for example, a  
18 Section represented by multiple versions), the use of that text  
19 does not accelerate or delay the taking effect of (i) the  
20 changes made by this Act or (ii) provisions derived from any  
21 other Public Act.

22 Section 999-99. Effective date. This Act takes effect upon  
23 becoming law.



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Statutes amended in order of appearance

New Act

5 ILCS 100/5-45	from Ch. 127, par. 1005-45
20 ILCS 2505/2505-210	was 20 ILCS 2505/39c-1
20 ILCS 2630/5.2	
30 ILCS 105/5.891 new	
30 ILCS 105/5.892 new	
30 ILCS 105/6z-107 new	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/3	from Ch. 120, par. 442
35 ILCS 520/Act rep.	
50 ILCS 705/9	from Ch. 85, par. 509
50 ILCS 705/10.12	
55 ILCS 5/5-1009	from Ch. 34, par. 5-1009
65 ILCS 5/8-11-6a	from Ch. 24, par. 8-11-6a
65 ILCS 5/8-11-22 new	
410 ILCS 82/35	
410 ILCS 130/20	
410 ILCS 130/200	
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720 ILCS 550/4	from Ch. 56 1/2, par. 704
720 ILCS 550/5	from Ch. 56 1/2, par. 705

- 1 720 ILCS 550/5.1 from Ch. 56 1/2, par. 705.1
- 2 720 ILCS 550/5.3
- 3 720 ILCS 550/8 from Ch. 56 1/2, par. 708
- 4 765 ILCS 605/33 new
- 5 820 ILCS 55/5 from Ch. 48, par. 2855